

## U.S. Says Israel Has Blocked Plan on Lebanon Withdrawal

By Bernard Gwertzman

New York Times Service

WASHINGTON — Administration officials said that Israel refused to accept a plan for the withdrawal of its troops from Lebanon.

The plan, which was offered by the United States last week to break the deadlock in the negotiations on the terms for Israel's troop withdrawal from Lebanon.

The continuing impasse has caused what one official described Thursday as "irritation" at the highest levels of the administration.

State Department officials said there were expectations last week, after Foreign Minister Yitzhak Shamir returned to Israel with the latest American proposals, that there would be early movement toward an accord.

Instead, President Ronald Reagan's special envoy, Philip C. Habib, has found in meetings with Prime Minister Menachem Begin and Mr. Shamir that the optimism generated by Mr. Shamir's talks with Secretary of State George P. Shultz and other officials was at an end.

Mr. Shamir, upon departing from Washington last week, said he believed Israel and Lebanon were nearer to an agreement as the result of the new ideas presented to him by Mr. Shultz. American officials also said then they were encouraged by the signs of movement in the Israeli position.

The Israeli rejection of the U.S. plan has led Lebanese officials to express frustration and say they will give the Israelis until April 2 to reach an accord before seeking new talks with the United States on what to do next.

According to U.S. Israeli and Lebanese officials, the main issues are these:

• Israeli officials continue to insist that they have some direct control over the security situation in southern Lebanon, after their 10,000 troops withdrew. They want some combination of joint Israeli-Lebanese army patrols and continued operation of the Israeli-occupied Lebanese militia of Major Saad Haddad, whose 2,000-man force in southern Lebanon broke away from the regular Lebanese Army.

• The Lebanese have insisted on Israeli military presence in southern Lebanon as an infringement on their sovereignty and have said that Major Haddad, who is re-

garded as a renegade, would have to be retired and his unit integrated into the Lebanese Army. The Lebanese have said their forces would be able to ensure security along the Israeli border to prevent new guerrilla infiltration.

• The United States, sympathetic to both the Lebanese political problems and the Israeli security concerns, has proposed giving assurances that it would train the Lebanese to be able to patrol the borders, would supply communications between Israeli and Lebanese intelligence units to discuss possible infiltration and would set up a joint Israeli-Lebanese military commission to investigate possible infractions.

There also are outstanding political problems over the nature of the future political and economic relationships between Lebanon and Israel, but American officials believe the security issues are paramount.

The Israelis have reportedly dropped their insistence on having five military outposts inside Lebanon, an issue that has been a major obstacle for much of the 11 weeks of negotiations, officials said.

Underlining the differences, they said, is Israel's apparent desire to be perceived as having salvaged something concrete from the invasion of Lebanon. The United States has argued that Israel will gain measurably by an agreement by which Syrian and Palestine Liberation Organization forces are also withdrawn from Lebanon and the Lebanese are once more in control of their country.

The inability of Mr. Habib so far to achieve a breakthrough has produced a debate behind the scenes in Washington. Some officials, including some Middle East experts, have warned that it may take a long time to achieve an accord because Israel may be in no rush to give up the occupied land in Lebanon, and because the Israelis are doubtful that Syria will agree to follow suit and withdraw its troops.

But Mr. Shultz is reported by aides to be optimistic that the visit of Mr. Shamir to Washington signified a basic decision by Israel to negotiate an accord and that, despite the difficulties, the remaining issues will be worked out through patient mediation by Mr. Habib.

An additional problem is that King Hussein of Jordan, who has

been urged by the United States to enter into negotiations with Israel and Egypt on Palestinian self-rule, is expected to make a decision in the next week or so. There is considerable speculation here that Hussein will agree to join the talks, but on the condition of Israel's agreeing to leave Lebanon and to impose a freeze on Jewish settlements in the West Bank region.

Lebanese Deadline Reported

Lebanon has set an end-of-March deadline for terminating the duties of the all-Syrian Arab Deterrent Force, the leftist newspaper As Saif said Friday in Beirut.

Quoting diplomatic sources, As Saif said it was not clear whether Lebanon had also asked Syria to pull out its estimated 40,000 troops from the country.

In other developments reported from Lebanon and Israel by news agencies:

• Lebanon and Israel held their 24th round of troop withdrawal talks with the United States in the Israeli Mediterranean resort of Netanya. The next meeting was scheduled for Thursday.

• Mr. Habib flew Friday from Israel to Lebanon and conferred with the Lebanese foreign minister, Elie Salem, who told reporters Thursday night that "we have given everything Lebanon can give" on the security arrangements that Israel wants in southern Lebanon.

• A U.S. Embassy spokesman said Friday that the U.S. Marine Corps and the Israeli Army had set up two new communications channels in an effort to avoid further friction between the two forces.

The Arab Deterrent Force was set up in 1976 by the Arab League in response to Lebanon's civil war. It had troops from several Arab countries; only Syria's remain.

Under its original Arab League mandate, the force was placed under Lebanese command. But in practice, it operated on direct orders from Damascus. Political sources said Lebanon's reported deadline meant it was dissolving the force's Syrian-Lebanese command.

The force's Lebanese commander, Brigadier Sami al-Khatib, in a letter to the Syrians, said the command had been "replaced" by a "committee for liaison and coordination." As Saif reported. Political

(Continued on Page 5, Col. 3)

# INTERNATIONAL Herald Tribune

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Pope John Paul II prayed Friday after opening the Holy Door at St. Peter's Basilica.

## Pope Inaugurates 1983 Holy Year

The Associated Press

VATICAN CITY — Pope John Paul II inaugurated on Friday the Holy Year of Redemption commemorating the 1950th anniversary of Jesus's crucifixion.

The pope called for spiritual renewal at all levels, and said the 1983 holy year "should leave a special imprint on the church's whole life."

For the first time since holy year celebrations began in 1900, the pope has ordered that activities not be limited to Rome but observed around the world to enable all Catholics to share the spiritual benefits.

To inaugurate the holy year, the pope led a procession to the Holy Door at the entrance of St. Peter's Basilica.

He first knelt at the threshold of the door, signifying that he too is a sinner. Then the pope said, "Aperite mihi portas iustitiae" — "Open the door of justice" — unlocked the door and entered the basilica, followed by cardinals, bishops and diplomats accredited to the Holy See. The tradition of the Holy Door is based on biblical references to the door of justice and mercy.

In his homily, prepared for a Mass after the ceremony, the pope asked God to "help us change the direction of the mounting threats

and disasters in the modern world."

"Rise up once more," he said. "Protect the nations and peoples. Do not permit the work of destruction that threatens humanity today."

The current holy year is extraordinary because the Roman Catholic Church normally celebrates holy years every 25 years; the last one was in 1975. Pope John Paul II proclaimed the extraordinary holy year to commemorate the death and resurrection of Christ — who the church teaches died on the cross in A.D. 33 — and "encourage dignified preparations for the holy year 2000."

Financial markets reacted favorably to the news of the measures, as the franc stayed firm Friday in foreign exchange trading, bankers said.

Mr. Delors, responding to newsmen's questions, said that the GNP, originally projected to expand this year by 1 percent to 1.5 percent, now will fall to between zero and 0.5-percent growth.

Total consumption is being reduced by around 2 percent, he said.

(Continued on Page 2, Col. 7)

## French Impose Severe Plan to Brace Economy

By Axel Krause

International Herald Tribune

PARIS — The French government, in an effort to reduce its chronic foreign trade deficit within two years and to boost confidence in the franc, announced Friday a package of 10 austerity measures, which observers and officials said were the most severe imposed on the country in 15 years.

The measures include increases in taxes and utility rates, cutbacks in government spending and severe spending restrictions for persons traveling abroad.

"We will be doing all in our power to make the program succeed," Jacques Delors, the French minister of finance, economy and the budget, told reporters after the measures were approved unanimously at a special cabinet meeting.

The plan had been foreshadowed Wednesday by President Francois Mitterrand in a televised speech. It followed a realignment of currencies in the European Monetary System in which the franc was devalued by 8 percent in relation to the Deutsche mark.

The austerity program, which officials said was primarily the work of Mr. Delors, has several immediate goals, but its primary aims are to cut the national budget deficit by 20 billion francs (\$2.76 billion) in 1983 and to generate new savings.

Under the plan, the deficit, now 3 percent of gross national product, would be held at this level this year and in 1984. The savings objective is to generate 20 billion francs for state spending, while reducing the planned increase in the nation's 1983 money supply from 10 percent to 9 percent.

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(Continued on Page 2, Col. 7)

Algeria	6.00	Dhs.	Israel	1.5	Sh.	Norway	5.50	Nkr.
Australia	17.5	Aus.	Italy	1200	Lire	Peru	0.700	Sh.
Bahamas	0.600	Dm.	Jordan	450	Fds	Portugal	20	Esc.
Bangladesh	37	Tk.	Kuwait	300	Riy.	Qatar	4.50	Riy.
Belgium	33	Bfr.	Lebanon	300	L.L.	Rep. of Iceland	60	P.
Bolivia	450	Bps.	Lithuania	100	Lt.	Spain	166	Ptas.
Brazil	270	Crs.	Madagascar	20	Mal.	Sweden	5	Skr.
Canada	1.3	Can.	Mali	200	F.	Switzerland	2.20	Sfr.
Ceylon	150	Rps.	Mexico	16	Ps.	Taiwan	2.50	N.T.
Chad	200	Cfa.	Moldavia	100	Lei.	Tanzania	200	Sh.
China	5.50	F.	Morocco	35	Dir.	Togo	200	Cfa.
Colombia	500	Cps.	Nicaragua	100	C.	Tunisia	100	D.
Czechoslovakia	20	Sk.	Nigeria	170	K.	U.S.A.	1	D.
Dominican Rep.	20	P.	Pakistan	100	R.	Yugoslavia	40	D.
Egypt	100	E.	Paraguay	100	G.			
El Salvador	100	C.	Peru	0.700	Sh.			
Equatorial Guinea	200	F.	Poland	100	Z.			
Ethiopia	100	B.	Romania	100	Lei.			
Finland	5.50	F.	Russia	100	R.			
France	6.50	F.	Saudi Arabia	400	R.			
Germany	2.20	D.	Senegal	200	Cfa.			
Ghana	40	C.	Sierra Leone	100	L.			
Greece	40	D.	Singapore	100	S.			
Guatemala	100	Q.	Slovakia	100	S.			
Haiti	100	G.	Slovenia	100	S.			
Honduras	100	L.	Sri Lanka	100	R.			
Hungary	100	F.	Taiwan	2.50	N.T.			
India	175	R.	Tanzania	200	Sh.			
			Togo	200	Cfa.			
			Tunisia	100	D.			
			U.S.A.	1	D.			
			Yugoslavia	40	D.			

## Acting EPA Chief, 4 Senior Aides Resign at Request of White House

By Mary Thornton

and Dale Russakoff

Washington Post Service

WASHINGTON — The Reagan administration Friday asked for and received the resignations of five senior advisers to the departed Environmental Protection Agency administrator, Anne M. Burford.

The acting administrator, John A. Hernandez Jr., who served as deputy to Mrs. Burford and took over the agency after her resignation, resigned as he became a target of congressional investigations into allegations of improprieties at the agency.

Also resigning Friday were the EPA general counsel, Robert M. Perry, the assistant administrator, John A. Toddhunter, who was in charge of regulating pesticides and toxic substances; the federal activities office director, Paul C. Cahill; and John E. Daniel, Mrs. Burford's chief of staff.

Mr. Daniel will remain at the agency until William D. Ruckelshaus, President Ronald Reagan's nominee to become director of the agency, is confirmed by the Senate, White House officials said.

In accepting the resignations Friday, Mr. Reagan praised the departing officials for their service. He said they were not leaving because of improprieties.

The five resignations bring to 13 the number of political appointees who have left the EPA since Feb. 7, when Mr. Reagan dismissed Rita M. Lavelle, the assistant administrator in charge of the program to clean up toxic waste dumps. She was dismissed after allegations surfaced that she was too lenient with suspected polluters.

That action set off a series of investigations that ultimately prompted Mrs. Burford to resign on March 10. The changes will leave four of the EPA's six divisions under the command of temporary appointees.

Lee Verstandig, one of those acting officials, is expected to replace Mr. Hernandez as acting administrator until Mr. Ruckelshaus is confirmed by the Senate. Since he was appointed last month, Mr. Verstandig, a former assistant secretary of transportation and former associate dean at Brown University, has been in charge of congressional relations for the agency.

Mr. Hernandez has been accused of allowing Dow Chemical Co. to suggest changes in a report that largely blamed the chemical company for serious dioxin contamination in Michigan. He came under fire again Thursday at a hearing in which it was alleged that for 20 months he blocked a cleanup of lead contamination in a poor neighborhood in Dallas.

Mr. Toddhunter has been accused of ordering changes in the Dow report and of holding private meetings with industry groups before declining to restrict the use of formaldehyde and other potential cancer-causing substances.

Mr. Perry is under investigation for possible perjury in congressional testimony on whether he compiled negative information about certain EPA employees.

Congressional subcommittees are examining whether Mr. Perry violated conflict-of-interest laws by participating in the settlement for cleanup of a Chesebrough waste dump in Hamilton, Ohio, where a subsidiary of Exxon Corp., Mr. Perry's former employer, deposited toxic wastes and was a potential defendant in the case.

All three have denied all charges of wrongdoing.

Thursday's accusations against Mr. Hernandez came at a hearing of a subcommittee of the House Public Works Committee. Witnesses said he blocked the cleanup of a poor Dallas neighborhood even though one of the companies held responsible had agreed to begin to correct the situation.

Three top officials from EPA's Dallas regional office said they disagreed with but could not overrule Mr. Hernandez's order that more health tests be conducted before three lead-smelting companies could be forced to clean up the lead-contaminated soil.

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## Summer Time Starts Sunday Across Europe

From Agency Dispatches

PARIS — European countries go over to summer time early Sunday morning, except Albania, which does not use summer time. The Soviet Union goes to summer time April 1.

Europe will remain on summer time until Sept. 25, except for Britain and Ireland, which return to winter time Oct. 23.

For most of Europe, the change is effective at 2 A.M. local time, when clocks will be reset for one hour later.

Daylight-saving time begins in the United States on April 24. No major Asian country uses summer time. In Australia, where the seasons are the opposite of those in the Northern Hemisphere, most states using summer time reverted to standard time earlier this month. Tasmania reverts this weekend.

INSIDE

■ Britain's opposition Labor Party candidate wins a key by-election. Page 2.

■ President Reagan defends his anti-missile defense plan against Soviet reaction. Page 3.

BUSINESS/FINANCE

■ Japan details plans to cut lead tape for imports of foreign products. Page 7.

## Nicaragua Is Angered By New Rebel Attacks

By Edward Cody

Washington Post Service

SAN DIONISIO, Nicaragua — A round of hit-and-run raids by guerrillas hiding in rocky hills here has pushed Nicaragua's Sandinista leaders to new anger over the campaign against their rule.

The attacks seem particularly worrisome because they are occurring in villages and farming hamlets of Matagalpa province, as close as 70 miles (112 kilometers) north-east of Managua, the capital.

Other attacks in a series that accelerated last summer have taken place along the mountainous border with Honduras or in isolated stretches of Zelaya province that slope from the border mountains down to the Atlantic coast.

The attacks appear to remain isolated and small-scale, especially in light of victory claims on the insurgents' 15th of September Radio and the Sandinista's reports of an invasion from across the border. But several sources said the attacks were important because they were nearer to the capital and in an area less isolated than previous battlefields.

"It is not so much what is happening as where," said a diplomat in Managua. "It has moved to the west, where it has not been before."

Spokesmen for the main insurgent group, the Democratic Nicaraguan Front, have said in Miami

that its troops have been encamped around the town of Rio Blanco, 40 miles east of here, for more than a month.

The Sandinista government has taken several steps demonstrating its concern. In the most prominent, Deputy Foreign Minister Victor Tinoco spelled out complaints in an emergency meeting of the United Nations Security Council on Wednesday. He blamed the United States and Honduras for what he called "massive infiltration" across the border.

The United States and Honduras rejected the accusations. Their spokesmen have sought to portray the attacks as the outcome of discontent with the 3½-year-old Sandinista revolution.

The Nicaraguan defense minister, Humberto Ortega Saavedra, said this week that 1,200 rebels have invaded Nicaragua in recent weeks. Most remained in the border mountains of Jinotega and Nueva Segovia provinces, he said, but 200 had moved down into the Matagalpa region. He later raised the number of those in Matagalpa to 400 or 500.

The Defense Ministry reportedly sent a highly trained special army battalion to the area. That was a break with past practice: the 10,000 ready reserves have done most of the fighting instead of the 22,000-man army.

(Continued on Page 2, Col. 5)



Prime Minister Pierre Mauroy, left, shakes hands with Finance Minister Jacques Delors at the Elysée Palace on Friday after a cabinet meeting on new austerity measures.

## New Immigrants Change the Face of Australia

By Richard Bernstein

New York Times Service

MELBOURNE — Seated in the lounge of their mosque, the group of Turkish immigrants waited for the night shift to start at a nearby automobile factory and talked about their adopted country.

"It is a very good country," said Ahmet Korkmaz, who came to Melbourne with his wife and two children in 1976. His comment seemed to sum up the feelings of the half-dozen of his friends who were present.

"The people here are free, so what we have in Turkey we can also have in Australia," Mr. Korkmaz said in a rough, accented English.

The gathering of Mr. Korkmaz and his friends at the Melbourne mosque illustrated an essential fact of contemporary life in this former British colony. Since the end of World War II, when the country was 90 percent of British origin

and excluded nonwhite immigration, three million people, 20 percent of the present population of about 15 million, have arrived to start new lives.

About half of the total number of immigrants have been of English-speaking stock. But Immigration Department statistics also show that about 1.5 million migrants came from non-English-speaking countries, from Greece, Turkey, Italy, Yugoslavia, Poland and Indochina.

"Australia after the war was one of the most isolated, parochial places in the world," said Michael Liffman, head of the Ecumenical Migration Center, a welfare organization for immigrants. "Intellectually and culturally we were totally derivative of England. We now have considerable diversity and cosmopolitanism."

Many Australians, like Mr. Liffman, are pleased with their country's policy of allowing large-scale

immigration, which for the last few years has averaged about 110,000 arrivals a year. Since 1976, the figures have included 70,000 refugees from Indochina.

Both major political parties have adopted policies of multiculturalism, a notion that immigrant groups, while becoming loyal Australians, should maintain their languages and cultures. And the government has created programs to ease the immigrants' adjustment.

But the immigration has also provoked a nativist reaction among some groups, who write racist graffiti on city walls, send letters to newspapers and organize committees to press the government to stop the influx of immigrants, particularly those from Asia.

Melbourne, as is the rest of Australia, is still a place of predominantly British influence. However, nearly one-third of the city's 2.5 million residents are either immigrants or the children of immigrants, giving

the city a polyglot, multicultural flavor.

Melbourne has about 40 Greek Orthodox churches and dozens of Greek restaurants, taverns and clubs for its 200,000 Greeks. The city also has three mosques. Its Muslim population of about 20,000. There are streets lined with Vietnamese and Chinese restaurants.

Those coming to Australia have not always found adjustment easy. The parents of Nicholas Polites, director of the Australian Greek Welfare Society in Melbourne, were among the earliest Greek immigrants. Mr. Polites remembers being taunted at school and being afraid to speak Greek in public.

"The Australian attitude toward all foreigners is patronizing," he said. "They find it a great shock that the migrants don't want to become little Aussies, that they want to keep their own traditions."

Still, Mr. Polites said, "it's better than it was when I was a kid."

Even as Australia has accepted and even taken some pride in the new cultural diversity provided by the European immigrants, what feeling there is against the new arrivals appears directed largely against those from Indochina.

Australian officials say this is because the Indochinese, roughly half of whom are ethnic Chinese, are racially and culturally more different than the European immigrants. Moreover, they are arriving at a time of high unemployment.

Last year, the Australian Council of Trade Unions, the country's largest labor organization, called for reductions in Asian immigration to protect jobs.

"The honeymoon for Vietnamese immigration is over," Mr. Liffman said. "There are a lot of anxieties and tensions in this community and a lot of them are attributed to immigration."



A group of Turkish immigrants stands outside one of the three mosques in Melbourne.



## Labor Party in U.K. Wins Key By-Election; Tory Candidate Is 2d

By R.W. Apple Jr.  
New York Times Service

LONDON — The opposition Labor Party, which has suffered an almost unbroken series of setbacks in the last four years, won its most important by-election victory Thursday since Prime Minister Margaret Thatcher took office in 1979.

Oswald O'Brien, the Labor candidate at Darlington, an industrial town in northeast England, overtook the candidate of the Liberal Social Democratic alliance, Tony Cook, after trailing in the initial stages of the campaign.

Mr. Cook finished a weak third, behind Michael Fallon, the Conservative — a blow to the alliance, which had expected to benefit from an unusually heavy turnout.

Mr. O'Brien polled 20,544 votes, or 40 percent, to 18,132, or 35 percent, for Mr. Fallon, and 12,735, or 25 percent, for Mr. Cook.

The north of England has been a stoutly pro-Labor region for decades, and it has been stung by unemployment. The Labor voters in Darlington, polls indicated, flirted at first with Mr. Cook but ultimately decided to stay with their traditional affiliation.

One reason, it was suggested, was the candidates. Mr. Cook had difficulty discussing the issues, and Mr. O'Brien, a moderate, was considered a more able and far less vulnerable candidate than Peter Thatchell, the Labor candidate upset by the alliance last month at

Barnsley in the London docklands.

Neil Kinnock, a member of the Labor shadow cabinet, said the outcome heralded a strong comeback by his party.

The main parties made a major effort to win the Darlington seat of Ted Fletcher, who held it for Labor for 19 years until his death last month. Mrs. Thatcher sent seven ministers to speak on Mr. Fallon's behalf, and her advisers said she would weigh the result carefully in deciding whether to call a general election in June rather than waiting until October or even next spring.

Darlington was crucial for Labor because, trailing in the national polls, the party would like to wait as long as possible for the general election.

It was personally crucial for Michael Foot, the party leader, who was pilloried by some of his backbenchers after the Barnsley defeat. Another humiliation, several Laborites said, might cost Mr. Foot his job.

Mr. O'Brien, 54, a vice principal and director of studies at Loughborough Cooperative College, was able to reverse the pattern of defections to the alliance that has characterized by-elections in the last few years.

In other races, the alliance was able to build a bandwagon psychology and to profit from so-called tactical voting, in which backers of the candidate running third switched their votes to the alliance.



Yuri V. Andropov, left, at a meeting in Moscow with Daniel Ortega Saavedra, right.

## Andropov Appears After Illness

By Dusko Doder  
Washington Post Service

MOSCOW — Yuri V. Andropov, the Soviet party leader, resumed his public duties Friday after a brief illness.

He met with the leader of Nicaragua's Sandinist government, Daniel Ortega Saavedra, and both men criticized U.S. policy in Central America, according to the official press agency Tass.

Mr. Andropov, 68, was reported to have been hospitalized last week with an unspecified kidney ailment. A senior Soviet official said Thursday that he had been ill but

suggested his illness was influenza. The meeting with Mr. Ortega was expected to end rumors and speculation about Mr. Andropov's health.

Mr. Ortega, who was in Moscow on an official visit 10 months ago, arrived Thursday from Mongolia. He had earlier attended the summit conference of nonaligned nations in New Delhi.

The Tass statement quoted Mr. Ortega as asserting that his government "has all necessary resources" to defend itself against "counter-revolutionary invaders" who enjoyed the support of "foreign imperialists."

Mr. Andropov was quoted as having expressed solidarity with the Nicaraguan people and the conviction that Nicaragua would be able to defend its independence.

The conversation was held in an atmosphere of "friendship and complete mutual understanding," Tass said.

Mr. Andropov disappeared from public view after a March 15 meeting with Communist officials from Soviet-bloc countries. Soviet and diplomatic sources said he was hospitalized suffering from a chronic kidney ailment.

## Yugoslavia And Russia Confirm Ties To Bury Differences

Tikhonov Visit Aims To Bury Differences

Reuters

BELGRADE — The Soviet Union reaffirmed its recognition Friday of the independent course of communism taken by Yugoslavia.

The two countries, in a communiqué issued at the end of a five-day official visit to Yugoslavia by the Soviet prime minister, Nikolai A. Tikhonov, also agreed to increase economic cooperation.

This was the first visit to Yugoslavia by a high-ranking Soviet politician since Yuri V. Andropov assumed the Soviet leadership in November.

Differences over foreign policy and ideology between Moscow and Belgrade were played down in the communiqué, clearly reflecting the efforts by both sides to create a climate of goodwill.

Mr. Tikhonov held two rounds of talks with Prime Minister Milka Planinc on mainly economic matters. He also met the state president, Pear Stambolic, and the Yugoslav Communist Party leader, Mijla Ribick.

The communiqué expressed the two governments' readiness to strengthen friendly relations and cooperation on the basis of respect for the principles of independence, sovereignty, territorial integrity, equality and noninterference.

These principles are enshrined in the 1955 Belgrade declaration, which ended a seven-year dispute between the two countries over Yugoslavia's independent path and which remains for Belgrade the cornerstone of its relations with Moscow.

Belgrade has often angered the Kremlin by criticizing its policy on Poland, Afghanistan and Cambodia, and by opposing any sign of Soviet moves to direct the international communist movement.

The communiqué avoided mention of these potentially discordant issues, and the accent of Mr. Tikhonov's visit was on economic and trade exchanges between the two countries.

Yugoslavia owes nearly \$20 billion to the West but sets great store by its economic cooperation with the Soviet Union, which is its No. 1 trading partner and supplies it with half its oil imports.

According to an agreement signed during the visit, the Soviet Union will increase its oil exports to Yugoslavia by 20 percent this year to reach 5.35 million tons.

Mr. Tikhonov and Mrs. Planinc also signed a document setting out guidelines for a program of economic, scientific and technical cooperation until 1990, the communiqué said.

A two-way trade this year will reach \$7 billion, the same as in 1982, Mr. Tikhonov and Mrs. Planinc said. The communiqué said five-year trade both ways would exceed the \$32 billion forecast by a 1981-85 cooperation agreement.

On international problems, the communiqué expressed joint "deep concern" over the world political and economic situation and the growing arms race.

It urged measures to strengthen peace, revive détente, encourage disarmament and establish a new international economic order.

## Blue-Collar Ruhr Valley Moves to the Right

By James M. Markham  
New York Times Service

DUISBURG, West Germany — If there ever was a working-class town, Duisburg was it.

The biggest steel center in West Germany, boasting the biggest inland port in the world, Duisburg was an unassailable fortress of the Social Democratic Party, which ran city hall by right and dispatched deputies to the Bundestag.

Backing the well-oiled party machine was the second strongest chapter of West Germany's tough metalworkers' union, which took an almost avuncular pride in the mammoth, fire-speckled steelworks of Thyssen, Krupp and Mannesmann on the muddy Rhine.

Down the Rhine a ways, in Bonn, the national Social Democratic leadership had counted on Duisburg — and other grimy Ruhr cities such as Gelsenkirchen, Bochum, Hagen and Bottrop — to deliver a hefty margin in the March 6 elections.

But, in a momentous shift, the blue-collar belt rebuffed the Social Democrats this month and moved toward Chancellor Helmut Kohl's Christian Democrats, who for the first time in two decades collected the largest number of votes here in the state of North Rhine-Westphalia.

The debacle in the Ruhr has already provoked soul-searching within the Social Democrats' national councils. The party's so-

called "ditch digger" wing, tied to the unions, blames leftist intellectuals in Bonn for having sought a nonexistent "new majority" of counterculture youths, the pacifist movement and the workers.

Within Mr. Kohl's triumphant Christian Democrats, the impres-

**The debacle in the Ruhr has already provoked soul-searching within the Social Democrats' national councils and criticism within the party's 'ditch digger' wing.**

sive inroads in the Ruhr have strengthened the hand of the party's left wing, grouped loosely around Norbert Blum, the labor minister and a former machine tool worker. A new blue-collar constituency, though, will make it awkward for Mr. Kohl to impose certain austerity measures or welfare cuts.

Beyond this transfer of party allegiances, the balloting in the Ruhr has led some to question the very notion of "the working class" in West Germany — and how it should behave at a time of recession and high unemployment.

Kurt Biedenkopf, the state Christian Democratic leader, argues that fairly comfortable incomes have blurred the distinction between working class and middle class.

He senses, above all, a demand

for economic competence in Bonn by steelworkers and others who work with their hands. "They don't understand what's going on," Mr. Biedenkopf said. "They don't understand this high unemployment — even when a large part of the population is living very well."

The defeat will reach city hall, since the Kohl government has promised to slash the taxes on business activity that finance municipal government. High taxes on the steel industry have permitted

Josef Krings, the Social Democratic mayor of Duisburg, to foster an astonishingly rich cultural program in a city commonly described as deep in crisis.

If the Social Democrats mistargeted in the Ruhr, the Kohl government addressed its concerns last month, well before the election. A month in office, at the behest of Mr. Blum, the government extended to 36 months, from 24, the period that steel and coal workers on short time could get state financial assistance.

In Duisburg alone, 35,000 of 55,000 steelworkers are on short time — usually a 22-hour week — but under the Blum dispensation they were guaranteed 68 percent of their lost wages for an extra year.

Irmgard Karwatzki, a Christian Democratic parliamentarian who also is Duisburg's deputy mayor, believes that this gesture demonstrated a concern for steelworkers that paid off. "They voted for us because we aroused hopes," she said. "The Social Democrats' campaign was based on fear. And fear is no policy."

ready, as jobs disappear, there have been signs of parochial divisions between Thyssen men and Krupp men, accentuated by a government plan to reshape the industry.

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## Raids Anger Sandinists

(Continued from Page 1)

As in previous instances, Mr. Ortega and Mr. Tinoco warned that the sedition could lead to a conflict with Honduras, which is closely allied with the United States and the recipient of increasing U.S. military aid. They said that mortar fire from Honduran territory was directed at the Nicaraguan town of Santo Tomas del Nance on Wednesday.

Interior Minister Tomas Borge, at a news conference Thursday, played down the military significance of the fighting. He said foreign news reports had exaggerated its scope.

Honduras "Wants Peace" Nicaragua has alleged that Honduran soldiers entered Nicaragua to join rebel forces trying to topple the Sandinist government, but Honduras denied it and said Friday that it "wants peace." The Associated Press reported from Managua.

The Nicaraguan Foreign Ministry, in a statement issued Thursday night, said Nicaraguan troops repulsed Honduran invaders in the Papayosa Valley, about 180 miles north of Managua. It said a Nicaraguan soldier was wounded but provided no casualty figures for Honduran soldiers.

The Honduran Foreign Ministry said Thursday night. "At no time has the Honduran army attacked Nicaraguan territory."

## WORLD BRIEFS

### Spain Still Hesitating on NATO

MADRID (WP) — Defense Secretary Caspar W. Weinberger left here Friday for Washington amid claims that his calls for full Spanish participation in NATO had made little impact on the new Socialist administration.

Spain's defense minister, Narcis Serra Serra, told the national news agency EFE after Mr. Weinberger's departure: "We are neither further from nor nearer to NATO, just better informed. We are exactly where we were." The Spanish position is that the previous government decision to enter the alliance was hurried and did not take sufficiently into account Spain's military interests.

When Prime Minister Felipe Gonzalez took office in December he ordered an immediate freeze on Spain's negotiations to join the alliance's military command structure. The government said then, and repeated again during Mr. Weinberger's two-day visit to Madrid, that Spain was firmly in the Western camp but was restudying its NATO membership.

### Ecuador Unions Continue Strike

QUITO, Ecuador (Reuters) — Ecuador's trade unions have extended indefinitely a national strike because of the government's refusal to revoke new economic austerity measures, according to union leaders.

The country has been almost paralyzed since the three largest unions, backed by private employers, began a 48-hour stoppage Wednesday. Employers said Thursday night that they were ending the strike, but union leaders extended the stoppage indefinitely after talks with the government broke down. The government warned public employees they would be dismissed if they did not report for work Friday.

One person was killed and at least 50 were injured in demonstrations after last weekend's announcement of the austerity measures, including a 21-percent currency devaluation and sharp increases in milk and fuel prices.

### 250 Arrested in Santiago Protest

SANTIAGO (UPI) — The police arrested 250 rock-throwing demonstrators in a two-hour battle in the center of Santiago that was one of the most violent anti-government protests in almost 10 years of military rule, the authorities said Friday.

Several dozen people, including several uniformed and plainclothes officers, were injured by rocks thrown during the demonstration Thursday night, the police said. Riot police used water cannons and tear gas to battle hundreds of protesters in an eight-block area near the government palace.

A police spokesman said the demonstrators, mostly young people, shouted anti-government slogans, broke windows and burned tires. The police took away the 250 arrested protesters, including two priests, in police wagons and buses.

### Cambodians Expecting an Attack

BANGKOK (Reuters) — Thousands of Vietnamese troops, backed by tanks and artillery, are massing for an attack on border camps housing nearly 100,000 refugees, the prime minister of Cambodia's United Nations-recognized coalition government said Friday.

Son Sann, leader of the non-Communist Khmer People's National Liberation Front, said a Vietnamese assault on the Thai-Cambodia border camps was imminent. Mr. Son Sann called for an international effort to make Vietnam withdraw its estimated 180,000 troops from Cambodia, where it installed the pro-Soviet government of Heng Samrin in 1979.

He said 6,000 Vietnamese troops with tanks, armored personnel carriers and artillery had taken up positions about 10 kilometers (about 6 miles) from the camps. Mr. Son Sann's military commander, General Thach Kham, said intelligence reports showed Vietnam planned to move up another 6,000 troops as reinforcements.

Walesa Told to Pay Fine, Taxes WARSAW (Reuters) — Tax officials on Friday told Lech Walesa, the leader of the banned trade union Solidarity, that he must pay taxes and a fine totaling 230,000 zlotys (about \$2,650) on a memento that his wife received as a gift from the West, a spokesman for Mr. Walesa said.

Mr. Walesa and his wife, Danuta, were summoned to a tax office in the port city of Gdansk, where they live, and questioned about how they acquired the bus and about Mr. Walesa's personal finances, the spokesman said. According to the spokesman, Mr. Walesa said the bus was a gift received in 1981 to help his wife transport their children, and he said he did not know who had donated it.

The spokesman also said that Mr. Walesa had told the officials that he had \$170 in a bank account in Gdansk and \$600 in an account in nearby Sopot, but no bank account abroad. Mr. Walesa said that he had not collected any of his foreign awards, the spokesman said.

Kaunda Predicts War in S. Africa LONDON (UPI) — President Kenneth Kaunda of Zambia on Friday predicted a racial explosion in South Africa "within three or four years" with the loss of hundreds of thousands of lives.

"It's going to make the French Revolution look like a Sunday morning children's picnic," he said, urging Western governments to work to end South Africa's system of apartheid, or racial segregation.

Mr. Kaunda spoke at a news conference ending a four-day visit to Britain in which he conferred on southern African problems with Prime Minister Margaret Thatcher. "I do not see the problem of South Africa going beyond three or four years without a serious explosion," he said. "I am saying to you, governments of the West, you are sitting on a volcano."

### For the Record

MADRID (AP) — The Conference on Security and Cooperation in Europe, which is in its 28th month, began a three-week Easter recess Friday without accepting a final document proposed by nonaligned countries. The document calls for a disarmament conference in Stockholm in November.

### French Announce Plan To Shore Up Economy

(Continued from Page 1)

for example, will be used to help "renew" French industry and to promote exports, according to a communiqué issued by the Elysée Palace after the cabinet meeting.

The income tax levy, to be paid in May, is expected to generate 14 billion francs in additional revenue for the government. Reimbursement to taxpayers will be made in three years. But the planned repayment, which is expected to include interest payment, could occur earlier if the trade deficit is eliminated before 1984, government officials said.

Responding to a reporter's question, Mr. Delors said that no protectionist trade measures were planned to accompany the austerity package. "We will remain an open economy," he said.

Mr. Delors's statement came amid continuing speculation that the West German government urged the French government to avoid such restrictions during the negotiations that led to a realignment of the eight currencies in the European Monetary System. In that realignment, which was announced Monday in Brussels, the franc was devalued by 2.5 percent

and the Deutsche mark was revalued upward by 3.5 percent.

Senior Finance Ministry officials emphasized that "no moderation" was reached with Bonn during the talks because, as one official put it, "There is no need to talk of restricting imports — the fall in our home demand will take care of the problem."

He said the goal of cutting last year's trade deficit of 937 billion francs by roughly half in the current year would fall by 25 billion francs due to depressed demand; savings of between 10 billion and 15 billion francs would come from the lower oil bill, and roughly 5 billion francs savings would come from restrictions on travel.

This package will be presented April 6 to the French parliament for debate and approval. But no major obstacles are foreseen, political observers said, because the Socialists and their allies control the National Assembly.

"It is an impressive effort," commented J. Paul Hume, Paris-based vice president and economist for the Smith Barney, a New York investment bank. "The Mitterrand government appears to be adapting its economic policy to economic reality."

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## Reagan Defends Proposal For Missile Defense System

WASHINGTON — President Ronald Reagan, defending his proposal that the United States should develop a workable defense against Soviet missiles, asserted Friday that such a defense could help make nuclear missiles obsolete.

"It is inconceivable to me that we can go on thinking down the future, not only for ourselves in our lifetime but for other generations, that great nations of the world would sit here, like people facing themselves across a table, each with a cocked gun, and no one daring to move the finger on the trigger," Mr. Reagan said at a White House news conference.

President Reagan had proposed more than a major speech Wednesday that he would do an intensive research program by the "vitality" of the development of a technology that could be used to destroy missiles launched not only in the United States but also in the Soviet Union, he said. He said that he would sign a directive Friday to initiate the long-range acceleration of research that he proposed Wednesday.

**Scientists Are Divided**

Earlier, Charles Mohr of the New York Times reported from Washington: "Some scientists say that Presi-

dent Reagan's proposal to develop a defense against nuclear attack may never be technically feasible, but that it would be strategically dangerous if it was made workable. Other scientists defend the concept.

Dr. Wolfgang Panofsky of Stanford University said Thursday that he found the president's request that scientists join in an intensive effort to build a defensive shield against ballistic missiles to be "somewhat spiritually troubling."

Dr. Panofsky and a number of other figures in American science said they doubted that scientists could be marshaled into an effort resembling the Manhattan Project that produced the first nuclear weapon in World War II.

The president said Wednesday that he hoped nuclear weapons could be made "impotent" by the development of a practical defensive shield. Aides said the president wanted intensified research both in space-based stations harboring directed-energy weapons that might shoot down missiles and in land-based anti-missile systems.

Dr. Victor Weisskopf of the Massachusetts Institute of Technology said he believed the president's goal would be "extremely dangerous and destabilizing."

A number of other scientists and non-scientists took the same view, arguing that any success in developing anti-missile defenses would undermine deterrence of nuclear war, lead to a stepped-up arms race and eventually to pre-emptive warfare in space to destroy the proposed defensive platforms there.

Several of the scientists also expressed the view that present "benign" military uses of space would be endangered by moves to place weapons in space. Such applications now include the use of satellites for sensor stations to warn of

hostile missile launches, and for reconnaissance and communications.

Critics also asserted that the president's plan would endanger the prospects for nuclear arms control agreements with the Soviet Union by undermining the 1972 treaty limiting anti-ballistic missile defenses and accelerating a race to achieve a workable complex of such defenses.

"The ABM treaty is not only the most important treaty we have, but it is the foundation for future treaties on offensive weapons," said Jeremy Stone, director of the Federation of American Scientists.

He added: "If either side thought the other was going to withdraw from the ABM treaty, there would be no way at all to get agreement on offensive arms treaties."

Robert S. McNamara, a secretary of defense in the 1960s, said in a broadcast Thursday that Mr. Reagan's proposal was "pie in the sky."

Even the critical scientists, however, said they approved of research and development efforts to explore ballistic missile defense and space-based military applications so as to prevent a surprise by the Soviet Union.

"But," said Dr. Weisskopf of MIT, "I can't understand why the president put it on the front burner with so much fanfare unless his purpose was political, to sell his military budget to Congress."

He said that if either the United States or the Soviet Union developed a space-based missile defense, "it would be the beginning of a nuclear war" because "either side would have to shoot down what the other side had in space."

High Frontier, a nonprofit organization whose membership includes a number of retired military officers and defense research and development officials, has been urging the development of a "near term" defensive system that they believe can be made operational soon. This group is highly supportive of the concept of defensive systems.

Fred W. Redding Jr., an engineer and concepts analyst associated with High Frontier, said the White House should be commended and that it was "silly" to argue that defensive measures would undermine nuclear deterrence.

**President Overrode Aides**

Lester H. Gelb of the New York Times reported from Washington: Mr. Reagan went ahead with his proposals on anti-missile defenses, even though several White House and Pentagon aides suggested the idea had not been carefully studied, according to administration officials.

The officials said a number of Reagan aides had also argued that it would detract from the main point of the president's speech Wednesday — that the \$239-billion military budget he is seeking is necessary to meet the challenge from the Soviet Union.

Senior officials told reporters at a White House briefing that Mr. Reagan's long-standing interest in ideas for defensive nuclear attack was rekindled six weeks ago when the subject came up at a meeting with the Joint Chiefs of Staff. But because of the White House's desire to keep this element of the president's speech a surprise, strategic experts within the administration were not given an opportunity to review the proposal, a number of officials said.

The senior officials said the idea presented by the president Wednesday night called for no new funds in the current fiscal year and perhaps none in the 1984 fiscal year.



Michael Heseltine, the British secretary of defense, right, talking with Colonel Robert M. Thompson, the U.S. commander of the 501st Tactical Missile Wing, at Greenham Common, England, where the deployment of 96 cruise missiles is to begin later this year.

## Britain Unveils Site for Cruise Missiles

UNITED PRESS INTERNATIONAL  
GREENHAM COMMON, England — Six huge bunkers will house Britain's first U.S.-made cruise missiles this year unless the Soviet Union offers a reasonable compromise on nuclear arms control, according to the British defense secretary, Michael Heseltine.

Mr. Heseltine put on a camou-

flage combat jacket, rubber boots and a construction hat Thursday to lead three busloads of journalists to the first public showing of the \$61-million (\$91.5-million) cruise missile complex.

The six bunkers under construction eventually will house 96 U.S. made, nuclear-tipped cruise missiles.

The bunkers are made of three-foot-thick (about a meter) steel-reinforced concrete, topped by eight feet of sand and a concrete anti-blast cap. They can withstand a conventional attack; there is no need to protect them from nuclear attack because in emergencies the missile transporters would carry the weapons into the countryside.

## Adelman Statement Says Critics 'Unfairly Maligned' His Integrity

By Walter Pincus  
WASHINGTON — Kenneth L. Adelman, President Ronald Reagan's choice to be director of the Arms Control and Disarmament Agency, has issued a statement to defend himself against his critics, saying that "my integrity has been unfairly maligned" by allegations that he misled Congress in his confirmation hearings.

Mr. Adelman's statement, issued Thursday, replied to accusations by several senators that his testimony before the Senate Foreign Relations Committee appeared to contradict memorandums he had written before he appeared before the committee.

It also sought to "correct misleading and inaccurate reports printed on this matter."

The nomination is expected to reach the Senate floor early next month. Last month, the Foreign Relations Committee recommended 9-8 against his approval after some committee members cited his lack of experience and questioned his commitment to arms control.

Senator Paul E. Tsongas, Democrat of Massachusetts and a leader of the anti-Adelman faction, said Wednesday that he planned to submit written questions to Mr. Adelman based on his memos and committee testimony. Mr. Tsongas added that if the answers were not satisfactory he would consider calling Mr. Adelman for more questioning.

(On Friday, President Ronald Reagan pledged to stand by Mr. Adelman despite the allegations. The Associated Press reported: "You bet I am sticking by Mr. Adelman," he said in response to a question at a news conference. "If someone could be hung out to dry to receive a letter from someone else — he didn't write the letter, he received it," Mr. Reagan

was referring to a letter Mr. Adelman received from Edward L. Rowley, the U.S. arms negotiator, that contained a list of arms control agency staff members and criticisms of many of them.)

Mr. Adelman's statement itself was prompted by the release Wednesday of the Rowley memo and several others showing that before his confirmation hearings he had discussed personnel changes with State Department officials and had selected a Reagan administration official to examine a possible reorganization of the arms control agency.

In answer to questions by members of the Foreign Relations Committee, Mr. Adelman said several times that he had not begun to deal with personnel matters.

Mr. Adelman said he had "absolutely no intention of, nor ever spoke of, undertaking a 'purge' or 'housecleaning' at the agency."

He said he had not solicited the Rowley memo and "did not discuss the substance of the memorandum aside from the most cursory remarks of a very general and hurried nature."

In a note released by the Senate

committee, Mr. Adelman had written that the memo was "Ed Rowley's very confidential views on people." But he said in his statement Thursday that he had merely assumed they were Mr. Rowley's views. He noted that Mr. Rowley subsequently said the paper "was prepared by his staff and did not represent his views, then or now."

Mr. Adelman's statement described his establishment of a procedure for "handling suggestions others would have on personnel matters." That system, he said, involved selection of a friend, Robin West, an assistant secretary of the interior.

Mr. Adelman did not mention Mr. West during the committee hearings. A government official said Wednesday that "it never occurred" to Mr. Adelman "that it was important to tell the committee" about Mr. West.

Mr. Adelman also cited a March 20 story in The Washington Post as an example of articles "containing factual errors or misleading statements" that had played his nomination fight. The article reported that a purge had been discussed at two Capitol Hill meetings Mr. Adelman had before his confirmation hearings.

Mr. Adelman's statement said "there was absolutely no talking of 'purge' at one of the meetings. He denied that the second "private meeting" had taken place, saying he had "had only a brief hallway conversation" with a Senate aide, Michael Pillsbury, who was mentioned in the story.

**Polish Troops Fired On Official U.K. Car**

The Associated Press  
LONDON — Polish troops outside Warsaw fired on a British Embassy car carrying staff members of the naval and military attaché this month but nobody was hurt, the British Foreign Office announced Friday.

A Foreign Office spokesman, who in accordance with British practice declined to be named, said that Britain immediately protested to the Polish Foreign Ministry, which apologized. "We regard the matter as closed," he said.

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## Grain Sales to Soviet 'Damaged,' U.S. Says

By John F. Burns  
NEW YORK TIMES SERVICE  
MOSCOW — A senior U.S. agricultural official conceded Friday that the embargo imposed on U.S. grain sales after the Soviet intervention in Afghanistan had done "long-term damage to our trade" in the Soviet market.

Alan T. Tracy, the acting undersecretary of agriculture, offered the assessment at a news conference that followed two days of U.S.-Soviet grain talks. His view contrasted with the more hopeful tone struck publicly by other U.S. officials who have discussed sales prospects since the embargo ended, including a delegation that came here for the semiannual talks last September.

"There is no question that we lost the predominant share," Mr. Tracy said, in reference to figures showing that the United States has accounted for barely 22 percent of the market. In the years before President Jimmy Carter imposed the embargo, U.S. farmers commonly supplied 60 percent to 70 percent of total Soviet purchases.

The six million tons of U.S. grain to which the Russians are committed this year, divided equally between wheat and corn, represent the minimum that they are required to purchase under the U.S.-Soviet grain agreement, now in its seventh year. Last fall President Ronald Reagan offered to sell up to 23 million tons during the contract year ending on Sept. 30, but the offer was ignored.

Summarizing talks with a Soviet team headed by Boris S. Goryev, a deputy minister of foreign trade, Mr. Tracy's statement said: "In discussing possibilities for future

## Integration Said to Lag In 9 States

NEW YORK TIMES SERVICE  
WASHINGTON — A federal district judge has ruled that nine states have failed to desegregate their public college systems as they were required to do by a series of court orders during the last decade.

Judge John H. Pratt, in his ruling Thursday, said Arkansas, Georgia, Virginia, Oklahoma, Florida and North Carolina had "deficient in major respects" on their commitments to end school segregation, which was outlawed by the Civil Rights Act of 1964.

The states all submitted desegregation plans to the federal government in 1978 saying they would end segregation by the end of the 1982-83 school year.

The judge also ordered the federal Department of Education to start proceedings against Pennsylvania, Kentucky and Texas unless they submitted desegregation plans that "fully conform" to the civil rights law and the criteria established by the court in 1978.

Judge Pratt issued an order saying that each of the six states accused of a major default must take "concrete and specific measures" to "insure that all the goals of its 1978 desegregation plan will be met" by the fall of 1985. The federal government, he said, must start formal enforcement proceedings against any of the states that fail to submit a revised plan by June 30 of this year.

The order applies only to two-year community colleges in North Carolina but to four-year and two-year colleges in the other states. The penalty in an enforcement proceeding is the loss of federal aid.

## Democrats Say Reagan Is Trying to Stir Fear

By Francis X. Clines  
NEW YORK TIMES SERVICE  
WASHINGTON — Congressional Democrats have accused President Ronald Reagan of using a "Star Wars" scenario to stir fear of the Soviet Union among the American people and to distract the public from what they called "the dismal failure" of the administration's economic program.

The Democrats also accused the president of "selective declassification" of information for political effect in his release of intelligence photographs to bolster his accusations about the Soviet threat.

Delivering the Democrats' response to the president's televised address Wednesday, Senator Daniel K. Inouye of Hawaii contended Thursday that "the president left the impression that the United States is at the mercy of the Soviet Union."

"Most respectfully, Mr. President, you know that is not true," Mr. Inouye declared. "Our scientists, our engineers, our generals are not dunces."

The senator said the president, in his description of Soviet and American nuclear strength, "chose not to mention the superiority of the submarine-based missiles we have developed to counter the Soviets."

"You could have, but chose not to mention, our superior, indeed our singular development of cruise missiles, which can penetrate all known Soviet defenses," Mr. Inouye continued.

Accusing the president of seek-

ing to distract the public with talk of "Buck Rogers" weapons and allegations of American nuclear inferiority, the Hawaii senator said: "In your urgency to defend your defense budget, with its huge increases, against the more moderate proposals which have received bipartisan support in the Congress, we believe that you have failed to present an honest picture."

"Soviet land-based intercontinental ballistic missiles outnumber those of the United States," the senator continued. "But the warheads on these missiles are more than offset by our warhead advantage in sea-based submarine missiles, and our bombers and cruise missiles."

Mr. Inouye pointed out that the Soviet Union now had 7,339 nuclear warheads while the United States had 9,268. He also said the president was selective in showing photographs of Soviet MiG aircraft based in Cuba. Their presence there was no secret.

The senator said he believed Mr. Reagan had suggested American strategic inferiority because "he is afraid that his excessive defense budget will be trimmed by the Congress and because he wants to take our attention off of the economic disasters brought on by his policies."

The Democrats, complaining that the president had already deeply slashed social programs for child nutrition and education, contended his defense program would put a "crushing burden" on the nation.

## U.S. Policy Criticized on Acid Rain

By Cass Peterson  
WASHINGTON POST SERVICE  
WASHINGTON — The United States, alone among major Western nations, has adopted policies that may worsen the problem of acid rain, according to a study by the Environmental Law Institute.

Gregory Weststone, an official of the nonpartisan research institute who is co-author of the report, said the study suggests that the United States "has retreated from its historic leadership position" at a time when international environmental issues are of increasing importance.

"The precedent established in response to today's comparatively new, forward acid rain issue will set the tone for crucial efforts to head off these and other international environmental problems in coming years," Mr. Weststone said.

The report, released Thursday, said that the U.S. government had approved changes in state emission controls that would allow pollution sources to release an additional million tons of sulfur dioxide annually.

Sulfur dioxide and other pollutants are changed chemically in the atmosphere, and come to earth as acid rain, which has been blamed for killing aquatic life in thousands of lakes in Scandinavia, Canada and the northeastern United States.

Mr. Weststone noted that West Germany, which long resisted entreaties from the Scandinavian countries to curb its sulfur dioxide emissions, recently decided to cut them back.



TO A NEW HOME — Three Amerasian children on their arrival in Bangkok this week en route to the United States. They were among 84 children being flown from Ho Chi Minh City in the largest airlift from Vietnam since the war's end. U.S. officials said the airlift also included 13 Vietnamese children.

## Snow Blankets U.S. South

UNITED PRESS INTERNATIONAL  
NEW YORK — Up to a foot (30 centimeters) of snow fell across the South on Thursday, and the region's worst spring storm moved north to Virginia on Friday. Gale-force winds pounded the mid-Atlantic Coast and caused flooding along the North Carolina seaboard.

A major storm in the West dumped heavy snow on the Rockies and the plateau region. Flagstaff, Arizona, reported 14 inches of new snow in two days. Colorado, southwestern Wyoming and Virginia were expecting snow.

The snow in the South clogged

highways, closed schools and delayed traffic for hours at the nation's second busiest airport, in Atlanta. The storm was blamed for at least four deaths.

Florida was battered with tornadoes, thunderstorms and high winds Thursday. In Louisiana and Georgia, the winds overturned mobile homes and cars and ripped off roofs.

Snow blanketed mountain areas of California, and an inch of rain in southern California sent hill-sides sliding onto the Pacific Coast Highway, closing a 14-mile (22-kilometer) stretch in the Malibu area.

## Social Security Plan Passed, Sent to Reagan

By Spencer Rich  
WASHINGTON POST SERVICE  
WASHINGTON — Congress passed and sent to the president Friday a Social Security rescue bill that would include all new federal employees in the system beginning next year. The House vote was 243-102. The Senate vote was 58-14.

The original Senate bill had deferred the inclusion of federal employees, in response to pressure from their unions. But senators who participated in a conference to reconcile the House and Senate views yielded on Thursday to participants from the House.

The president, vice president, federal judges and members of Congress also would be brought into the Social Security system next year.

The most important other issue that divided participants in the House-Senate conference was how much to raise the retirement age in the next century. The House had voted to lift it gradually from 65 to 67, the Senate to 66. The participants agreed on the House provision.

The rescue bill, without which Social Security would run out of funds this summer, would also speed up scheduled tax increases, defer the cost-of-living increase in benefits, and for the first time tax half the benefits of recipients in higher income brackets.

In addition, the bill would continue for six months the program of unemployment benefits for the long-term unemployed and set up a new system for reimbursing hospitals under Medicare.

The bill's quick progress through the two houses was an achievement that many viewed as unsustainable when Congress convened in January. Then, quarrels were taking place between Republicans leaning toward benefit cuts and Democrats who favored tax increases.

But a bipartisan presidential advisory commission recommended a compromise on Jan. 15. President Ronald Reagan and House Speaker Thomas P. O'Neill Jr., Democrat of Massachusetts, both endorsed it.

The Senate provision on federal employees, sponsored by Russell B. Long, Democrat of Louisiana, would have left new employees out of Social Security until Congress also set up a supplementary retirement system for them. Federal employees have a Civil Service retirement system.

J.J. Pickle of Texas, the Democratic chairman of House Ways and Means Committee's Subcommittee on Social Security, told Mr. Long that his proposal would mean that federal employees might never be brought into Social Security. Failure to bring them in would cost the system money in the short run, since at first more employees would be paying taxes than drawing benefits.

The bill sent to Mr. Reagan would do the following:

- Postpone this year's cost-of-living increase to next January and give future such increases each January.
- Bring employees of nonprofit organizations under Social Security on Jan. 1, and bar withdrawal of

state and local government units once they have decided to join.

- Subject, starting in 1984, one-half of Social Security benefits to federal income tax. That half would be adjusted gross annual income over \$25,000 for individuals and \$32,000 for married couples filing joint returns.
- Accelerate scheduled Social Security tax increases, so that in 1984 employees and employers would each pay 7 percent instead of 6.7 percent on the first \$37,800 of pay. For the worker, this increase would be offset next year by a tax credit. The tax rate would rise to 7.51 percent in 1988 and 7.65 percent in 1990.
- Require self-employed persons to pay a Social Security tax equal to the combined employer-employee rate, but with income tax credits to offset part of the increase.
- Peg, starting in 1985, each year's cost-of-living increase to the previous year's increase in wages or prices, whichever is less, whenever the trust funds fall below specified levels.
- Set up a hospital payment plan under Medicare, in which fees for various services would be set in advance.
- **Curb on Alien Benefits**

The Social Security rescue plan would bar benefit payments to most dependents acquired by non-resident aliens after they stopped work in the United States, the International Herald Tribune's Washington bureau reported Friday.

This rule was approved after the conferees rejected a much harsher provision contained in the Senate version of the bill. That measure would have limited payments to nonresident aliens to the amount they actually contributed to the system, along with interest.

Under the final version of the bill, dependents' benefits would be available to a person who had been married to an alien for at least five years while he worked in the United States. The children of such a couple would be eligible for benefits even if born outside the United States, but adopted children would qualify only if adopted there.

## Reagan Signs Bill To Create Jobs

NEW YORK TIMES SERVICE  
WASHINGTON — President Ronald Reagan has signed into law a \$4.6-billion emergency jobs bill. It contains an additional \$3 billion to underwrite unemployment benefits in the states with the most depressed conditions.

The bill, adopted by the House of Representatives and signed by Mr. Reagan Thursday night, is designed to create about 400,000 jobs by channeling extra money into existing government programs. It calls for more than \$2 billion for public works projects.

The last snag delaying the bill was unraveled Thursday when the House agreed to a compromise formula allocating about \$2.1 billion of the funds to areas with the highest unemployment rates.

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# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## Euromissile Substance

The debate in Washington over whether to make a new proposal on medium-range missiles before the Geneva arms negotiations recess on Tuesday is also a debate about Europe. Some think that trans-Atlantic disagreement over the deployment of medium-range missiles was, for practical purposes, ended by the election of the Christian Democrats in West Germany. All that is required now from Washington, according to this assumption, is a soothing exercise in public relations, one that merely reiterates Mr. Reagan's zero option proposal and defends it as, in Mr. Reagan's words, a seizure of "the moral high ground." After that, installation of new cruise and Pershing missiles could begin on schedule.

Others, however, think that one large source of the disagreement between the United States and Western Europe — including the West German, British and Italian governments, who are to receive the missiles — is precisely Washington's preference for public relations over policy re-examination. They would say that a new proposal on missile limitation which does not have true substance, which is put for-

ward to be rejected, and which therefore is really meant to promote the deployment of missiles, will inevitably make worse trouble between Washington and European capitals — and European public opinion.

We believe West Europeans will support installation of the new missiles if they are convinced that there is no serious alternative and that it is Moscow which is the obstacle to a limitation agreement. This is not a matter to be resolved by public relations or propaganda. People have an instinct for truth, and the Soviet Union in any case is not often very subtle in these things.

If such possibilities as exist for serious compromise with Moscow are not fully and sincerely tested by the United States during the next nine months, European opinion will once again become extremely restless, and may well make it impossible for the European governments to go through with the missile deployments. The moral high ground is not so casually occupied as Washington sometimes likes to think, and this time it is truly essential to possess it, and hold it, and not just talk about it.

INTERNATIONAL HERALD TRIBUNE

## Reagan's Question

The president's new defense idea is pure Reagan: simple at first glance, complex at a second, running against the grain, sure to arouse a storm. It is the product of Ronald Reagan's peculiar knack for asking an obvious question, one that has moral as well as political dimensions and that the experts assumed had been answered, or found unanswerable, or found not worth asking, long ago. In this instance the question is: Why are America and the Soviets basing defense and survival on the terrible and incredible threat of mutual annihilation? Is there not a better way?

To that question a whole generation of strategists has answered no. Defending against nuclear threat has been accepted as tantamount to announcing an intent to bring an offensive threat against the other side. Deterrence — carrying with it the threat of inflicting and incurring mind-numbing damage — has come to be enshrined as the guiding strategic principle. The effort of both Americans and Soviets has been, as variously interpreted, either to gain a margin of superiority or to attain parity or stability.

Deterrence has worked in the sense that nuclear war has been stayed. But the requirement to maintain a usable and invulnerable deterrent, against the rush of technology and the fear of the other side's moves, is precisely what "arms race" means. It has led, in hardware terms, to such tortured constructs as putting huge missiles on a racetrack in the western desert, running them around from one garage to the next, and occasionally opening the ceiling doors to let the other fellow's cameras

peek in. That particular scheme was shelved, but no matter what other scheme to maintain a deterrent is finally accepted, it will keep alive the specter of mass death and destruction in a nuclear "exchange."

Against this specter Mr. Reagan now suggests that we slowly start investigating whether in the next century technology may offer a solution to security that does not rest on the prospect of mass and mutual death.

Is it a good idea? Scarcely was it out of the bottle that it was denounced as an escape from reality to the nirvana of high tech, a step toward the militarization of space, a gimmick with which to distract the freeze movement, a calculated assault on the antiballistic missile defense treaty, and, last but not least, a reckless provocation to the Soviets, who could only be expected to take the proposal as a prelude to a nuclear showdown.

Perhaps it is all these things. Perhaps, too, it is none of them. At this point it seems enough to say that President Reagan has given impetus to what is already a major gathering review of the strategic principles that America and the Soviets have adopted in the last generation. These principles, keep in mind, were not written in stone. They represent merely the best guesses made by harried men groping with the historically unprecedented circumstance — the capacity to end the world as we know it — that technology had put in their hands. Their answers created the uncertainty and peril with which Mr. Reagan, not alone, is attempting to cope now.

—THE WASHINGTON POST.

## A Case Against Bulgaria

That Soviet agents had a hand in the attempted assassination of John Paul II in 1981 no longer seems a wild surmise. A web of fresh detail supports the Italian government's suspicion that the would-be killer, Mehmet Ali Agca, acted in concert with Bulgarian intelligence agents. Italy has yet to divulge all its evidence, but some corroborative details have been reported by The New York Times.

There is growing and consistent testimony about the ruthlessness of Bulgaria's security service and its intimacy with the Soviet secret service. The Turkish assassin's account of his contact with Bulgarian agents seems to be sur-

prising the careful inquiry that Italy's Judge Martelli has been pursuing. And a Bulgarian defector in France reportedly claims that he was actually told of a plot to kill the pope motivated by the pope's alleged encouragement of rebellion in Poland.

Bulgaria's protests would be more persuasive if it agreed to the extradition of officials whom Judge Martelli wants to question. Mere denial is no longer sufficient to clear its agents of complicity in this foul and stupid act. On present evidence, the case is not proven, but it is beginning to look like a case.

—THE NEW YORK TIMES.

## Other Opinion

### London on Reagan Beams

President Reagan's statement is more likely to alarm his allies than comfort them. People are calling for the arms race to be halted, not for it to be diverted into new directions.

—The Times.

The solemn, saddening logic of the nuclear arms race over 30 years is that anything one superpower can do, the other superpower can do later. If lasers and particle beams should provide America with an ABM screen at a cost beyond imagining, then Russia, too, will construct its screens and both sides will throw more billions into finding ways through them.

The illusion that one side can fight a nuclear war and survive unscathed is the fundamental delusion which sees us today with enough nuclear armaments to destroy life on this planet 13 times over. Mr. Reagan's benign vision of the outer limits of defense spending and inge-

nuity does not reassure. It chills. Yet again it reveals a cast of mind seemingly incapable of pursuing peace today if there remains a flickering chance of peace in the future on America's own terms, as Russia, whether through technological incapacity or financial exhaustion, falls from the race.

—The Guardian.

There has been in many quarters an unduly critical response to President Reagan's long-term plan to develop laser and other death rays to defend the West, as if its only significance was that it was a step toward the militarization of outer space. It would be better seen as the means by which the threat of a nuclear holocaust may be brought to an end. For the promise of beam technology is that it will provide a means of shooting down a missile as it appears over the horizon. So the defense will have the edge on the offense.

—The Daily Mail.

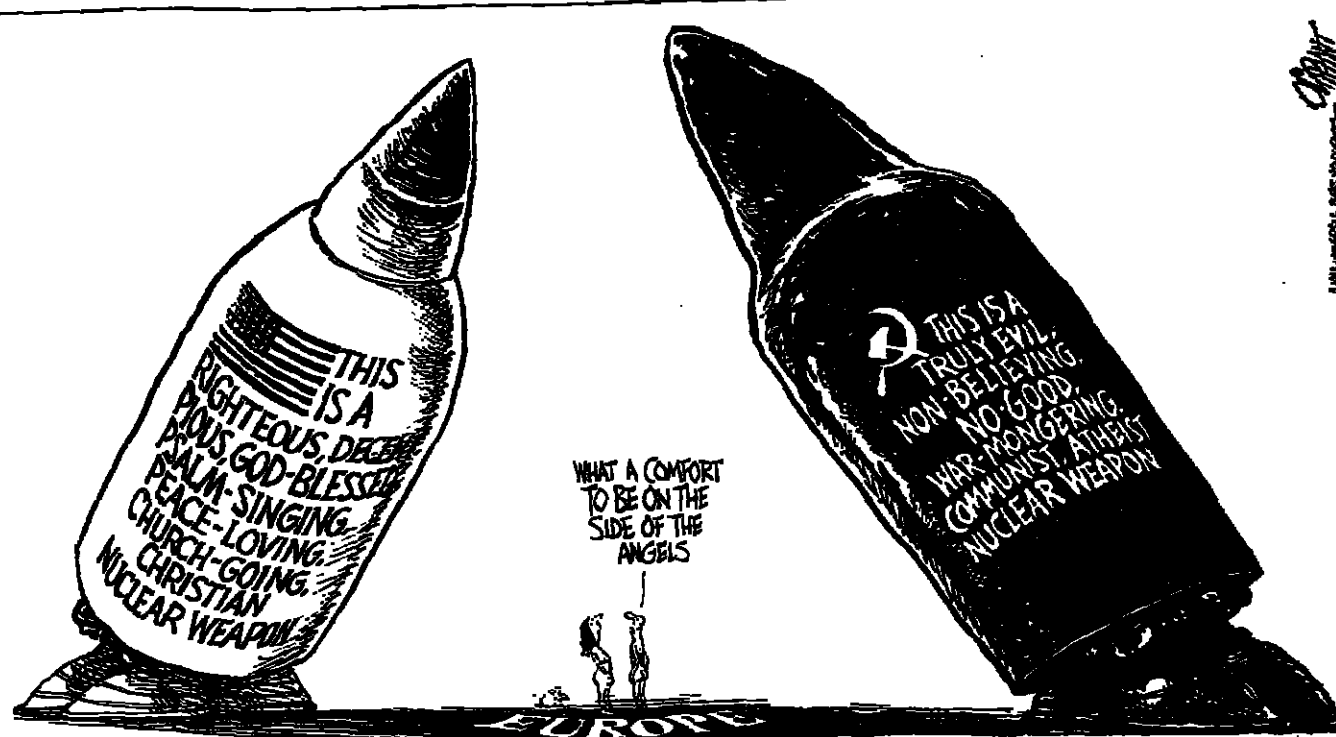
## FROM OUR MARCH 26 PAGES, 75 AND 50 YEARS AGO

### 1908: New Roosevelt Tone

WASHINGTON — A special Message from President Roosevelt to Congress causes much comment, on the lines that he has changed the entire temper of his mental attitude with reference to trust combinations and monopolies. Contrasted with the Message on the same subject sent on January 31, it reads like a lawyer's brief compared with an epic poem. The President sought to take out everything that would lay him open to the criticism that he was seeking to frighten business interests and make them do his will. His friends say he is hurt by the allusions to himself as "Roosevelt the Destroyer." He now seeks to have himself regarded as "Roosevelt the Upbuilder."

### 1933: Einstein on Nationalism

NEW YORK — Maintaining that "nationalism is inimical to life," Professor Albert Einstein reiterated that he would never set foot in Germany while present conditions continue in his native land. In the fall, the famous German scientist will take his chair at Princeton University, where he will be permitted to conduct whatever researches he pleases. Asked if there had been any significant changes in his scientific theories while he was working at the California Institute of Technology, he said, "Scientific things do not develop as quickly as newspaper columns. The work of a lifetime to which I devote myself is necessarily characterized by a constant striving and slow progress."



## Does Reagan Really Want Agreement?

By Flora Lewis

PARIS — Luckily, Moscow has also made some mistakes in the battle for European opinion on the missile issue.

The Russians in effect joined Washington in trying to turn West Germany's recent elections into a referendum on deployment. They lost because it was primarily a bread-and-butter election, but also because they were too strident, too crude in their threats at the end.

Moscow also underestimated adamant French resistance to the idea of including French and British weapons in a deal that would have barred U.S. missiles from Europe. A diplomatic effort to split the French and West Germans boomeranged, and President François Mitterrand came out firmly for stationing American cruise missiles and Pershings in West Germany.

This was a windfall for troubled Western leaders because the United States had marked up an almost unblemished record of clumsiness, poor judgment and slow wit in its missile diplomacy.

To begin, the NATO "double-track decision" of 1979 to deploy whatever could not be negotiated beforehand was not perspicacious. The maximum number of 572 missiles was not a military choice but an initial bargaining stake, which undermined credibility.

Then the Reagan administration waited a year before agreeing to negotiate at all, frightening Europeans with belligerent bravado. They swelled public opposition. The "zero option" finally offered, requiring removal of all Soviet medium-range missiles in return for no American deployment, brought only a reprieve.

Washington was fooling itself, not the people who will have missiles for neighbors, if it thought they would conclude that the United States had done its best for arms control and

only the Russians could be blamed for the failure. The reason pressures eased for a while was that the public was willing to wait and see whether this first, pious step was really the beginning of a process or only a mirror trick.

Some leading European experts also worried that so much noise about the "zero option" was blurring the central point: the ability of Europe-based weapons to counterbalance (not to destroy) Soviet weapons targeted on Europe once Eastern air defenses make it unlikely that Europe-based planes can get through to Soviet targets. This is a need that would still be felt even if there were no SS-20s, in order to prevent a rent in America's nuclear umbrella over Europe.

The first glimmer of a breakthrough in the Geneva talks came last summer when U.S. negotiator Paul Nitze and the Soviet's Yuri Kvitsinsky went for their walk in the woods. It simply is not known in the West whether Mr. Kvitsinsky spoke for himself without Moscow's knowledge. If so, it was very rare candor from a disciplined veteran Soviet negotiator.

Their tentative understanding included important concessions of principle from Moscow. Instead, Washington hesitated when the story leaked and then repudiated Mr. Nitze. Moscow then also publicly rejected the idea.

European diplomats were appalled. Political alertness would have brought Washington to state immediately that Mr. Nitze's initiative proved it was indeed trying to negotiate behind the scenes. If the Russians weren't interested, they would have had to make their own excuses. Eugene Rostow was fired as head of the Arms

Control Agency in the aftermath, and a replacement was nominated who is so unlikely that the Republican-led Senate Foreign Relations Committee voted no confidence.

Mr. Nitze remained to talk to the Russians, his wings publicly clipped. Now, his Geneva partner Edward Rowny, who heads the strategic missile talks, has shown his special ineptitude at diplomacy by firing off a memo lambasting his own team and trying to shut out two Democratic congressmen. But his reward has been a renewed show of White House support.

If the Soviet Union had written the scenario to show up the United States as a reluctant bomber in the gravest problem of our time, it could scarcely have done better.

With all this as background, Washington is at last going to make a new proposal for limited Euromissile deployment. Whether it comes before the talks recess on Tuesday or later, it will visibly be because of European pressure and thus still not a fully convincing sign that America really wants agreement.

At this late stage, something more is needed to show that the United States is serious about arms control. Mr. Nitze is a professional with long experience in the field. He is a hawk who opposed SALT-2, but he is widely respected as an earnest negotiator.

There was never much prospect that the Euromissile talks would get far except in the framework of negotiations on strategic missiles. Putting Mr. Nitze in charge of both delegations and instructing him to find out whether the Russians can in fact be budgeted would drastically change the bad atmosphere. If the answer is still *no*, then everybody would know who said it.

The New York Times.

## About the Sovietophobia Threat and Its Cure

By Stephen F. Cohen

PRINCETON, New Jersey — The United States has two Soviet problems. One is the real but manageable Soviet threat to American national security and international interests. The second and more serious problem is Sovietophobia, or exaggerated fear of the threat.

An old American political disease, Sovietophobia endangers democratic values, distorts budgetary priorities and threatens national security by enhancing the prospect of nuclear war. Its symptoms include militarized thinking about U.S.-Soviet relations, alarmist assertions about Soviet intentions and capabilities, and baseless claims that the United States is imperiled by strategic "gaps."

After a brief remission in the 1960s and early 1970s, Sovietophobia has re-emerged in a form more dangerous than the Cold War epidemic. It is the little discussed political factor behind the Reagan administration's shift from nuclear deterrence to a "nuclear war fighting" strategy and its extravagant defense budget. Public debate has focused myopically on the financial and technological merits of these radical military proposals, while the real issue should be the ominous change in their political purpose.

All evidence indicates that the Reagan administration has abandoned both containment and détente, the political goals that had shaped American strategic doctrine since the 1940s, for the very different purpose of destroying the Soviet Union as a world power.

Thus the administration's persistent talk about "destabilizing" and "prevailing over" the "evil empire," and its apparent unwillingness to negotiate a strategic arms agreement. It means a rejection of nuclear parity for a renewed and impossible quest for superiority, which is a potentially fatal form of Sovietophobia. The cure for Sovietophobia is to recognize it as a pathological rather than healthy response to the Soviet Union.

Although the Soviet system is highly repressive at home and a dangerous adversary abroad, not even its most alarming behavior explains extreme American reactions.

The present wave of Sovietophobia began in the 1970s with claims that the U.S.S.R. had perfidiously "killed" détente by building up its military forces and invading Afghanistan. But that military buildup had been long expected, since it fulfilled the long-standing and loudly proclaimed Soviet goal of strategic parity with the United States. And the invasion of Afghanistan in December 1979, while indefensible, came well after détente was already in a deep political crisis that was equally of American making.

Clearly there is a major discrepancy between American perceptions and Soviet realities. In the 1950s we exaggerated Soviet economic strength; now, we underestimate it.

Misperceptions become especially dangerous when linked to interpretations of Soviet foreign policy. Against all political and military logic, the Carter administration interpreted the invasion of Afghanistan as a march toward the Gulf, on the erroneous premise that Moscow would

soon need foreign oil. That extreme scenario is forgotten but its consequences live on in ominously revised doctrines, a huge military budget and abandonment of SALT-2.

What causes such extreme misperceptions of the Soviet Union? Explanations that point to American anti-communism or lack of knowledge are inadequate. Those factors have not prevented more balanced attitudes and calmer policies toward China or several other communist countries.

The real source of Sovietophobia perceptions is more fundamental: The United States, unlike most nations, still has not fully admitted that the Soviet Union, whether we like it or not, has become a legitimate great power with comparable interests and entitlements in world affairs.

Conceding political parity to the

Soviet Union leads logically to nuclear agreements based on military parity and to other détente policies. Denying that status leads only to illusory quests for nuclear superiority and related Sovietophobic goals.

President Reagan's position is clear: The Soviet Union is "the focus of evil in the modern world" and thus an illegitimate power. But it is unfair and bad analysis to associate that ideology solely with him or the Republican Party, as evidenced by hard-line Democratic opposition to all aspects of détente throughout the 1970s, including SALT-2. The problem is bipartisan, and a change of administrations may not solve it.

What the United States needs, therefore, is a candid discussion focusing on the central, almost forbidden question: Are we ready, after

three decades of political supremacy, to recognize the Soviet Union as a coequal legitimate power?

We have never had this national discussion, partly because those politicians and policy intellectuals who might answer affirmatively in private still fear Sovietophobic charges of "appeasement," or worse.

These "opinion-makers" should gain courage from the fact that large majorities of Americans have persistently favored strategic arms agreements despite their dislike of the Soviet Union and susceptibility to political fear-mongering. The American people, it seems, are ready to live with the Soviet Union as a superpower. The polls cry out for real leadership, not Sovietophobia.

The writer is a professor of politics at Princeton and contributes a column on Soviet affairs to The Nation.

## Time Both Sides' Men Went Visiting

By Jeremy J. Stone

WASHINGTON — How would you explain this to a visiting Martian? The Soviet Union is the overriding consideration in all the great issues of national security that face the United States. The Soviet Union has been open to foreign travel since 1956. The overwhelming majority of American political leaders, particularly members of Congress, have never visited the Soviet Union.

Only about 20 percent of the Soviet Politburo, and a smaller fraction of the Communist Party's Central Committee, have ever seen America.

During the last quarter of a century each superpower has spent between \$5 trillion and \$10 trillion on defense, most of it to prepare for war against the other — approximately \$30,000 for every citizen of both countries. You would think they might have spent a little of this money on travel, if only to get a firsthand impression of the "enemy" that justifies all this spending and weaponry.

This failure to even see, let alone know, the adversary has bothered some of us for a long time. As long ago as 1970 the Senate passed a bill intended to encourage more visits in both directions, but the Nixon administration killed the legislation.

Perhaps on both sides the highest leadership looks with some hesitation on increased involvement in foreign affairs of their colleagues, political peers and subordinates. Knowledge can be a complicating thing.

There are other obstacles to travel to the Soviet Union. It isn't easy to arrange, and there is no organization to help out — the way, for instance, the National Committee on U.S.-China Relations would help organize a trip to or from the People's Republic.

For Americans, I am convinced, the net effect of travel to the Soviet Union can be summarized thus: "Trust them less, fear them less."

For hundreds of years Western intellectuals have been disillusioned by the intellectual suffocation of Russian life. Western observers feel themselves, as one U.S. ambassador put it, "in a profoundly different and strange civilization."

This is what produced that famous

reversal of position of Nicholas de Custine in 1839 — "I do not blame the Russians for being what they are, I blame them for pretending to be what we are." And that of André Gide in 1937 — "In the U.S.S.R. everybody knows beforehand, once and for all, that on any and every subject there can be only one opinion."

In 1948 a Soviet official told John Steinbeck: "We are very tired of people who come here and are violently pro-Russian, and who go back to the United States and become violently anti-Russian. We have had considerable experience with that kind."

On the other hand, the Russians' fear of war, and the weaknesses of Soviet society, have tended to tranquilize those visitors most alarmed about Russian aggressiveness. Few visitors return from Russia thinking them "10 feet tall" or capable of superhuman feats of technological attack. Russia is not Japan. It is obvious when you are there, but U.S. leaders seem unable to realize it.

And there is much in the crawl of each side that can only be under-

stood by seeing it. For example, would you believe there is a museum in Moscow devoted to the American attack on Russia? You may wonder, as one senator did in hearings on the travel issue: "And have we ever attacked them?" Indeed America has, and the Russians will remember the Allied Expeditionary Force in 1917.

The Federation of American Scientists is now trying to convince more senators and more Soviet officials to visit the other superpower.

It's long since time. We did a survey of the Senate in the late '70s and concluded that those who are most concerned about the Soviet threat are least likely to investigate it.

The situation may be comparable on the Soviet side. Probably the people most concerned about the American threat do not come to the United States. Probably also those who do come home "trusting us more and fearing us more." America is more open than Russians can imagine, and much more powerful and richer.

The writer is director of the Federation of American Scientists. He contributed a column to The Washington Post.

## LETTERS TO THE EDITOR

### Musicians and Nazis

Regarding "Light Shed on Musicians' Nazi Ties" (IHT, March 18): Your correspondent neglected to say that I not only answered the 90-odd questions of the Allied Denazification Commission — an institution which had the right to question me — but also I was duly cleared.

May I also point out that joining the N.S.D.A.P. was not automatically a passport to the Nuremberg trials, but akin to joining a union and for the same reason: to have a job. Could it be that some of us merely worked hard to become decent singers?

I applied for membership when I was 24, in my second year as a "beginner" at the Deutsches Opernhaus, Berlin. I was told by the Intendant

that I must do so if I wanted to continue my career. My father, a victim himself after he refused to join and consequently lost his position of Oberstudienrat at the Cotta Gymnasium, urged me to join. Nothing was more important to him than my singing. He was reinstated after the war and became denazification officer in Fulda, working alongside the U.S. military government.

I applied, but the party's membership card never reached me.

Although it was never in my repertoire, I cannot help quoting Tosca: "Vissi d'arte..."

ELISABETH SCHWARZKOPF, Zurich.

I trust Oliver Rathkolb, of the University of Vienna, got his Ph.D. with

## Accounting Everyman's Mortgages

By Horace W. Brock

MENLO PARK, California — During the 1980 presidential campaign Americans were asked "Are you better off now than you were four years ago?" Current America's national income accounting system does not permit a meaningful answer. The Commerce Department's statistics on money's economy do not show the course of disposable income.

While those data are important, more accurate measure of well-being would incorporate information about changes in long-run economic prospects.

To illustrate: Take a worker whose real disposable income is unchanged over a decade, but suppose that during that period the core unemployment rate has doubled from 5 to 10 percent. The worker has suffered a decline in well-being, for a greater economic risk. His being laid off have risen from 1-in-10 to 1-in-5. To account for increased risk, it is necessary to add downward his current income by some dollar when his income is reported. This shows us how to compute a "risk premium."

Another shift in economic prospects requiring modified accounting stems from changes in unfunded government liabilities. We have heard a great deal about the growth of unfunded Social Security and Medicare liabilities. Since they represent future bills that presumably must be paid, an adjustment of current income is required. It would reflect the average annualized cost to a worker of paying the piper. The government, after all, imposes this burden on corporations in the form of accrued pension liability accounting.

The same logic applies to changes over a period of time in the rate of depreciation of America's capital stock — both physical capital (the infrastructure) and human capital (the quality of education). Accordingly, account should be made for any acceleration in the depreciation of capital stock by an annualized charge against current income. Similar treatment should be accorded to any changes in unfunded federal credit obligations such as those of the Farmers Home Administration.

As part of a study aimed at projecting the future of the economy, my company has analyzed Treasury data. One aim has been to illuminate the change in the last decade in the well-being of America's most productive group: full-time, married, male workers. Tentative results show a 17-percent decline in well-being for the median member of this group.

In 1972 the median disposable income for this group was \$8,099. By 1982 this figure had jumped to \$17,709 — before adjustments for changes in economic prospects and for inflation. It is instructive to work through the principal adjustments that must be made.

• The core unemployment rate is widely held to have doubled, from 4.5 percent in 1972 to 9 percent. The "risk premium" that must be netted out from 1982 disposable income to reflect this increased risk is \$660 per worker, our calculations show.

• There is a \$1,250 annualized adjustment per worker to cover the growth in unfunded federal liabilities for old age and medical insurance. This can be perceived as a surtax that should be levied today to put Social Security and Medicare on a sound footing until the year 2050. My firm's dollar figure here rests upon conservative assumptions about the future performance of the economy.

• There is the widely discussed acceleration in the depreciation of physical capital (highways and bridges, for example) and human capital (pedagogical competence in mathematics and science). Annual charges of \$225 and \$150 were estimated for increased physical and human capital depreciation respectively.

• The growth in unfunded credit obligations incurred primarily by federal financing agencies implies an adjustment of \$45 per worker.

When these various charges are deducted from the 1982 median disposable income of \$17,709, the result is \$15,379. But there is more to do: We must account for inflation. The Consumer Price Index shows that the inflation rate during the decade is \$8,674. Netting this out leaves the median worker with \$6,705 in 1972 dollars. This is a 17-percent decrease from the 1972 median income of \$8,099 that we started with.

This analysis is merely a start, but we hope it points in the direction of more useful and honest approach to assessing changes in economic well-being. Mortgages on the future should show in the books.

The writer is president of Strategic Economic Decisions Inc., an economic consulting firm. He contributed this column to The New York Times.

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## ARTS / LEISURE

## Sculptors Showing In Paris Galleries

By Michael Gibson  
International Herald Tribune

PARIS — Jean Clareboudt is one of the most interesting makers of monumental environments active in Europe. His current show is devoted to smaller works and the sketches which surround them. Clareboudt might be characterized as something of a naive mystic. This comes across, rather fuzzily, in his writings, and much more obviously in his work, which makes use of notions that carry symbolic and outright mystical connotations such as "circle," "square," "limit," "break" and so forth. The pieces lie nearly flat on the ground and present, for example, a plate iron circle resting on a grid of iron beams and combined, in one way or another with a large unwhipped stone. I do not find all the pieces persuasive — in some cases I get the feeling that the artist has let himself be taken with the idea of a circle (or a broken circle), which lies on the floor minimal and almost negligible. But the successful pieces belong in a place that remains to be invented: a Western equivalent to the Zen garden.

Jean Clareboudt, *Fairchild Cadot Gallery, 77 Rue des Archives, Paris 3, to April 5.*

Ulrich Rückriem, born in Düsseldorf in 1938, has in common with Clareboudt in that he also uses the "natural" aspect of rough stone. The catalog of his show tentatively places him "between minimal and process art." Rückriem will take a massive block of stone and cut it up into several pieces. Occasionally, he will polish one or more of the pieces on one or two

sides and then reassemble them into a single block.

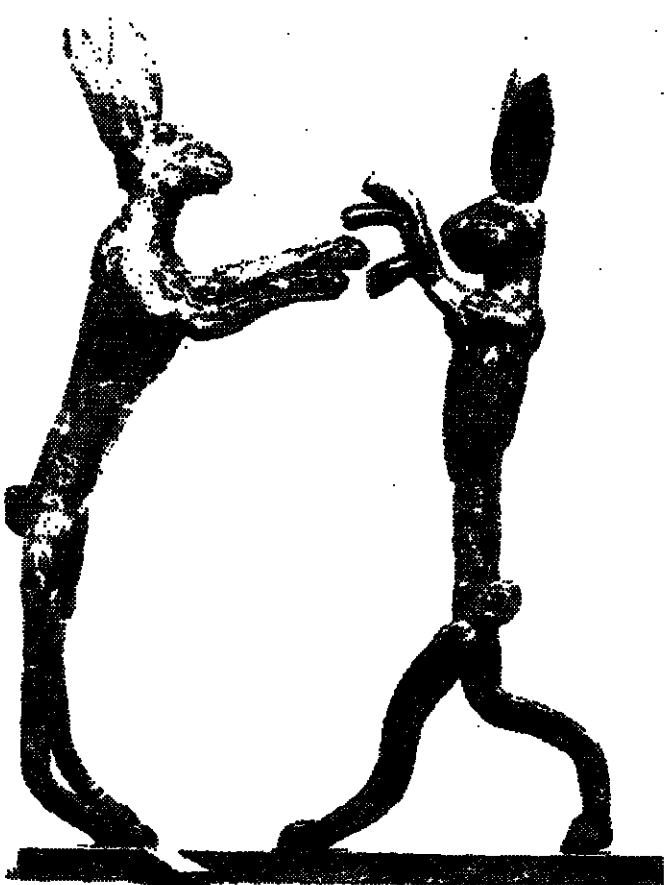
The result can be extremely effective, but the form itself is risky, hovering between mystery and platitude. The works are very sensitive to environment: Placed in a forest they can have the mysterious appropriateness of a prehistoric monument, while set on a plot of grass between a hedge and a parking lot, they appear to lose their aura. The pieces presented here have an imposing and elemental quality that the neutral territory of the museum enhances.

The paradox of this sort of work is that it starts out as a deadpan avant-garde exercise in tautology and winds up loaded with symbolic connotations. Rückriem says this used to bother him, but now, realizing that geometric forms will always have symbolic value, he doesn't worry about it anymore.

Ulrich Rückriem, *Pompidou Center, Place Beaubourg to May 9.*

Barry Flanagan, another sculptor, is being given a retrospective of sorts in the space next to Rückriem's. Flanagan is an astute, tongue-in-cheek Englishman who is at once brash and secretive. The brashness is apparent in the way he explains his aesthetic imperviousness by invoking formal reasons. Flanagan has the obvious showman's flourish that allows a man to present, for instance, a few not very neatly folded ellipses of jute piled one on top of the other (titled "File") and persuade one to look at them as sculpture.

This sort of thing is not new in itself, and taken out of context it could suggest that Flanagan is a rear-guard Dadaist, which is not at



Barry Flanagan's boxing hares.

all the case. What characterizes him is his extreme versatility, working with a very serious kind of jauntiness in stone, bronze, clay, sand, wood, string, bits of rag and so on. There is obviously a sort of humor for the initiated in some of his works — a nod to the stone carvers who take a six-inch clay model and enlarge it tenfold in travertine, a grin at the grand English tradition, a wink at the founder's craft in a sculpture that mimics the bronze armature that fills the cutting holes and is normally sawed off and melted down again. But not, wink and grin strike me as a diversion. Flanagan's true alter ego appears to be the hare.

The hare is the most visible element of the show. Flanagan has devised a more or less anthropomorphic one that runs, leaps, boxes, does handstands and otherwise sports itself in a fashion both human and harelike. It is a brash and secretive animal, swift, fearful and arrogant, with a marvelous talent for dialectics, as any boyhood knows who has seen one cut

back in front of him and practically leap over his pursuer's head.

The hare is not a very avant-garde figure, being not at all tautological in the usual, dreary, "avant-garde" fashion. But Flanagan protects his avant-garde status and stature by being unpredictable and equivocal after the fashion of any self-respecting hare. This also accounts for his unlikely formal diversity, which keeps the viewer's mind snapping back and forth.

The astonishing thing here is that it all has a real unity: a living vindication of Hegel, who declared that the moment of synthesis is the "unity of unity and contradiction."

Barry Flanagan, *Pompidou Center, to May 9.*

## Tight Money and Unpredictable Bids

By Soren Melikian  
International Herald Tribune

PARIS — The art market hardly ever follows the rules that prevail in other fields of the economy. But it is in times of crisis that the discrepancy is revealed to the full.

To an economist, the sale of paintings by 19th- and 20th-century masters conducted at Drouot March 19 by the auctioneer Jean-Louis Picard would make little sense. One moment, a minor artist would go through the roof, while seconds later works carrying famous signatures would sell almost cheaply.

Right at the beginning, a delightful watercolor sketch of the Quai Voltaire in Paris, done by Henry Harpignies in 1878, quadrupled its estimate as it went up to 28,000 francs (about \$3,850). This is a huge figure for a drawing barely larger than a picture postcard — 13.5 by 21.5 centimeters — and by a painter of the Barbizon school who has never been rated a key figure in French art history.

It might perhaps have been justified for a watercolor of his early period, that is from his Impressionist days, when the Barbizon school and its parallel development in *Pointillisme* represented the most modern trends in French painting, from which the Impressionists were to borrow extensively. But in 1878 the situation of the Barbizon and *Pointillisme* movements on the one hand and Impressionism on the other had been reversed. *Exquisite* as it may be, the Quai Voltaire sketch is a hangover from an earlier period. Commercially speaking, this is a shortcoming.

Conversely, 10 minutes later, there came up a sketch by Johan Barthold Jongkind illustrating the most advanced trend of its time. The watercolor heightened with gouache represents a riverside view somewhere in Holland. It must have been done around 1871-72, when the painters, who were not yet known as Impressionists — the name was coined by a critic after Monet's famous "Impression de Soleil Levant" of November 1872 — were breaking loose from Barbizon, *Pointillisme* and the rest. It is quickly jotted in strokes of light colors that were to remain the hallmark of Impressionism and has a vibration to it that is quintessentially Impressionist. At 17,000 francs it was a brilliant buy, deftly snapped up by a Paris dealer.

The sale then jogged on, stumbled over its first casualty — a tiny watercolor heightened with gouache by Gustave Moreau titled "Les

Epreuves" (Ordeals) bought in at 900,000 francs, which suggested a crazy reserve price — and settled down to a succession of high prices for a short while. An unimportant watercolor by Henri-Edmond Cross was dearly paid at 25,000 francs. Some futile watercolors by Raoul Dufy were particularly well received by private French buyers — "A Southern Mansion in a Park" soaring to 90,000 francs. Maurice de Vlaminck in his most hackneyed style was doing equally well — 52,000 francs for a small 20-by-20-centimeter gouache titled "Haystacks" is brilliant, even in devalued currency.

So when, two lots later, a first-class crayon sketch of a woman in the nude by Suzanne Valadon came up, everyone thought it would sell very well. Unaccountably, bidding stopped at 8,000 francs, making it a bargain. Still more of a bargain was a remarkable watercolor done as a project for a lampshade by Maurice Denis in 1894. Called "Au pont du Nord un bel étié" (A ball was being given on the northern bridge), the watercolor is halfway between Symbolism and the Expressionism of Toulouse-Lautrec. A Paris dealer bagged it for 36,000 francs.

## THE ART MARKET

Then came the best buy of the sale, a rare gouache, virtually abstract despite its title, "Interior Scene." Signed by the Russian-born artist Jean Ponguy, it was probably done just before World War I. No one took any notice of the composition in highly contrasted colors, which was knocked down at a laughable 6,500 francs. Ponguy's early work is rare at auction and in the trade; he was one of the greatest émigré Russian painters of the avant-garde school in Paris.

By then the auctioneer must have been worrying a bit. But there were some nice surprises in store for him. The most striking of all was a brocade, "Panthers," by Rembrandt Bugatti, the early 20th-century miniature sculptor. It zoomed to 202,000 francs, three times the estimate.

Oil paintings sold just as paradoxically as the drawings. A country scene in a belated pointillist style by a pale follower of Signac called André Léveillé was knocked down at 200,000 francs, which is a very large price.

And the contrasts went on, almost, all the way through. I was particularly struck by a superb harbor view of Antibes done in 1893 by

Engine Boudin. It went down to the Paris trade at 260,000 francs, when 350,000 to 400,000 francs would have seemed a more likely figure.

It is always possible to submit a seemingly rational explanation when the event is over, and this sale is no exception. One might argue for example that middle-class Frenchmen will not spend carelessly because of the expected devaluation, while dealers who fear that hard times may be coming bought cautiously — hence the low prices for the better pieces.

But that cannot explain the whole sale pattern. If only because foreign professionals, particularly Americans, who are back in the market, should have made up for the reticence of their Parisian colleagues.

Moreover, contrasts continued this week. Tuesday, Raymond de Nicolay, selling Old Master drawings and paintings, established an all-time high when he knocked down a portrait in crayon on brown paper done by Ingres in 1817 at 1.52 million francs to an unidentified buyer. The drawing is wonderful, but not in pristine condition — tears at the bottom, some rubbing, a strip added on the right. It is also tiny, 28 by 22.5 centimeters. Almost as surprising was Jacques-Louis David's preparatory sketch, dated 1786, for the painting now in the Louvre, "The Oath of the Horatii," completed in 1788. The study in pen and wash, 18 by 22 centimeters, went up to 590,000 francs, another record price paid by a Paris dealer, presumably on behalf of some museum or major foundation. Both pieces were desirable, but both sold at prices unrelated to anything that has been paid at auction.

Yet in the same sale, an excellent landscape in oils by the Dutch master Jan Wynants, "Departing for the Hunt" (ca. 1660-70), barely made its minimum, trade price, selling for 84,000 francs. Worse, a set of 36 paintings on panel, all part of a wood paneling decorated by an anonymous Mannerist master in the mid-16th century, failed to reach its reserve price. At 162,000 francs, the set, offered as a single lot, remained unsold. It was easily worth twice the last bid.

The least that can be said is that, some outbursts notwithstanding, money is tight in Paris, as well as unpredictable. This state of affairs is unhealthy. It should induce even greater caution in buying, from professionals and private collectors alike.

## Huge Doré Oil Reappears in Vienna

By Alan Levy  
International Herald Tribune

VIENNA — Gustave Doré, who died in Paris 100 years ago, is remembered today as the imaginative illustrator of the works of Balzac, Cervantes, Dante, Milton, Rabelais and La Fontaine. But in his time, he was lauded as a painter, too. "He took pains with the pen in order to be independent with the paintbrush," was one contemporary comment. His greatest oil, "Christ Leaving the Praetorium," a massive canvas that drew crowds when it was first exhibited, has been brought back to life from a dusty warehouse and put on display in Vienna.

This resurrection was the work of George Encil, a Viennese-born Canadian who left Austria in 1938 for western Canada. Settling in Banff ("The first time I saw the Rockies, I stopped missing the Alps," he recalls), he became an entrepreneur in the ski industry and began to indulge his passion for collecting art. Among his acquisitions is an early Picasso landscape, painted in an Impressionist style when the artist was 16, now on loan to the Vienna Kunsthistorisches Museum.

"I bought it cheap in 1958," Encil says, "because nobody wanted a nonconformist Picasso then, but I didn't buy it because it was a bargain. I bought it because I liked it. I buy with my eyes, not with my ears."

In the mid-1960s, the New York dealer Oscar Klein showed Encil photographs of some new acquisitions, several Gustave Dorés that had been lying around London in disrepair and neglect. Encil was intrigued by a colossal oil, 20 feet high and 30 feet wide, "Christ Leaving the Praetorium."

Restoring the painting took about 15 years. In 1980, Klein, then in his late 80s, sold it to Encil for a five-figure price that Encil thinks was "slightly less than he could have got elsewhere, but I had the feeling he wanted me to have it because he knew I would take special care of it."

Doré considered the work, painted between 1867 and 1872, as his supreme achievement. During the siege of Paris in the Franco-Prussian War, it was carefully folded and buried in a secret place safe from shot and shell. In simple yet sublimely epic detail, it depicts the moment after judgment when Christ emerges from Pontius Pilate's hall just before taking up the cross.

In 1881, at the zenith of Doré's popularity, it was displayed in London at the Doré gallery, where Sotheby's now stands. A British art weekly called it "the most marvelous picture of the present age... doubtless the finest pictorial illustration of the ineffable tragedy of the Redemption.... At a glance you comprehend the scene represented by the artist, as if you had witnessed it in its fearful reality."

Two million Londoners flocked to see it. Then, in 1892, the Doré Collection, starting "Christ Leaving the Praetorium," undertook a U.S. tour. In New York, no mere museum was deemed suitable for it, so it took the stage of Carnegie Hall. Later, when The New York Times complained that it had not been properly lit, there was a special showing at a Seventh Avenue roller-skating rink where it was floodlit with the latest incandescent lights. It went on to Boston and Philadelphia, where visitors wept and fell to their knees and clergymen were inspired to preach sermons on the spot. In 1896, in



Doré's 20-by-30-foot painting, "Christ Leaving the Praetorium."

Chicago, it attracted up to 15,000 visitors daily.

Fashions change fast and, not long after the painting returned to England, the 20th century found Doré's oils overblown, pretentious and old-fashioned. "Christ Leaving the Praetorium" disappeared, barely surviving World War II in a warehouse next to a railroad station that was destroyed in a bombing.

In 1980, admiring his new acquisition, George Encil had a problem: "What on earth was I going to do with it?" It was on one of his semi-annual pilgrimages to the opera in Vienna that he decided Doré's epic work should be shown like grand opera or, at the very least, a sound-and-light show. He took his idea to an old friend, Marcel Prawy, dramaturg of the Staatsoper.

Prawy got Wolfgang Guhsvald, a young master organ builder and organist, to arrange the music of César Franck and write the German text for a 25-minute spectacle. A Volkstheater actor, Ernst Meister, was engaged to tape-record the text, and lighting designer and sound expert enlisted from the Staatsoper. The next question was where to present it.

The Austrian minister of culture lent support and had no trouble persuading the Diocesan Museum near St. Stephen's Cathedral to accept the Doré on loan — allowing it duty-free entry into Austria. The Italian priest at Vienna's Minoriten Church, a pristine Gothic gem, agreed to exhibit it. Meanwhile, in New York, a 660-pound "dusty blue" wooden frame reinforced with aluminum was being made for the canvas, which itself weighed 3,000 pounds.

The folded canvas and the 10-part frame traveled in another ton of casing. The shipment was bound for Rotterdam, where its measurements were cable to Vienna. It would not fit through the Minoriten Church's door! Encil had to scour his native city and finally settled on the Voivie Church, a 19th-century neo-Gothic wedding cake, where the painting glided through the doorway with a centimeter to spare.

At the formal unveiling an audience of cultural dignitaries listened to Gustave Doré and the odyssey of his masterpiece, while slowly, to crashing peals of Franck's organ music, the lights came up on the painting.

"Christ Leaving the Praetorium" is now on display in the Voivie Church, just off Schottenring near the University of Vienna, during church hours, generally 6:30 A.M. to 8:00 P.M. Encil has now spent more on presenting his Doré than he spent on acquiring it; his total expenditure has passed the six-figure mark. "What I did," he says, "I did for love. Now somebody else will have to do the rest."

Among the 43 British and French paintings, drawings and sculptures that constitute the spring exhibition at Browne & Darby there are several major works, including Vlaminck's "Nature Morte aux Pommes" (1910), an early Bonnard, "Kiosque sur le Boulevard" (ca. 1894), a sanguine drawing of a "Seated Nude" by the sculptor

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Frank Dobson, a painting of "A Garden in Fulham" by Theodore Rossetti, a fine 1909 Picasso — "Le Pont Marie et le quai de la Gare" — by Jean Marchand, and an enchanting group of tiny oil sketches by the 19th-century French painter, Versailles in the snow by Jean-Léon Siéman.

British and French Paintings, Drawings and Sculpture, Browne & Darby, 19 Cork Street, W1, to April 9.

Last year the young English artist Andrew Holmes spent a month in China, visiting the main cities and as far as possible sampling every day life there. The trip resulted in a suite of six hand-drawn lithographs printed by the continuous tone process, and a number of drawings and photographs. As the lithographs are jointly published by Thumb and Curwen Galleries, the current show of Holmes's China is in both galleries, each having a suite of the prints and other earlier prints, the Thumb having the drawings and Curwen the photographs.

"Andrew Holmes's China, Thumb Gallery, 30-32, D'Almeida Street, W1 and Curwen Gallery, 10, Windmill Street, Charlotte Street, W1, to April 15.

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SATURDAY-SUNDAY

**ECONOMICS**  
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**The Key Issues**

NEW YORK — Economists of the industrial countries of the world are meeting in Washington to discuss the economic situation of the world and the role of the United States in it. The White House has sent a message to the meeting, saying that the United States is committed to a policy of free trade and open markets, and that it will continue to support the efforts of the industrial countries to achieve a more stable and prosperous world economy.

But the United States has also been accused of being a protectionist power, and of using its economic power to impose its will on other countries. The meeting in Washington is expected to be a contentious one, with each side trying to make its case for its own policy.

Day 1: A review of the economic conditions in the industrial countries. This is a relatively uncontroversial part of the meeting, with each country presenting its own data and analysis. The main issue is the role of the United States in the world economy, and the extent to which it should be allowed to use its economic power to influence other countries.

Day 2: A discussion of the economic situation in the developing countries. This is a more contentious part of the meeting, with each side trying to make its case for its own policy. The main issue is the role of the United States in the development of the developing countries, and the extent to which it should be allowed to use its economic power to influence other countries.

Day 3: A discussion of the economic situation in the Soviet Union. This is a highly contentious part of the meeting, with each side trying to make its case for its own policy. The main issue is the role of the United States in the economic development of the Soviet Union, and the extent to which it should be allowed to use its economic power to influence other countries.

Day 4: A discussion of the economic situation in the Middle East. This is a highly contentious part of the meeting, with each side trying to make its case for its own policy. The main issue is the role of the United States in the economic development of the Middle East, and the extent to which it should be allowed to use its economic power to influence other countries.

Day 5: A discussion of the economic situation in the Far East. This is a highly contentious part of the meeting, with each side trying to make its case for its own policy. The main issue is the role of the United States in the economic development of the Far East, and the extent to which it should be allowed to use its economic power to influence other countries.

Day 6: A discussion of the economic situation in the Pacific. This is a highly contentious part of the meeting, with each side trying to make its case for its own policy. The main issue is the role of the United States in the economic development of the Pacific, and the extent to which it should be allowed to use its economic power to influence other countries.

Day 7: A discussion of the economic situation in the Caribbean. This is a highly contentious part of the meeting, with each side trying to make its case for its own policy. The main issue is the role of the United States in the economic development of the Caribbean, and the extent to which it should be allowed to use its economic power to influence other countries.

Day 8: A discussion of the economic situation in the Americas. This is a highly contentious part of the meeting, with each side trying to make its case for its own policy. The main issue is the role of the United States in the economic development of the Americas, and the extent to which it should be allowed to use its economic power to influence other countries.

Day 9: A discussion of the economic situation in the world. This is a highly contentious part of the meeting, with each side trying to make its case for its own policy. The main issue is the role of the United States in the economic development of the world, and the extent to which it should be allowed to use its economic power to influence other countries.

Day 10: A discussion of the economic situation in the world. This is a highly contentious part of the meeting, with each side trying to make its case for its own policy. The main issue is the role of the United States in the economic development of the world, and the extent to which it should be allowed to use its economic power to influence other countries.

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ECONOMIC SCENE  
By LEONARD SILK

Will Economic Summit Tackle  
The Key Issues? Probably Not

NEW YORK — Economic summit among the leaders of the major industrialized nations, like the one to be held by President Ronald Reagan at Williamsburg, Virginia, in late May, inevitably raises public expectations that something is about to be done to deal with the world's economic problems. Otherwise, why hold them?

The White House has sought to forestall public expectations for the May conference by saying there would be no formal agenda and no commitments when the conference ended.

But the United States has in fact set an agenda. It reflects the monetarist, basically laissez-faire philosophy of the three U.S. officials who have been doing the planning in Washington: Beryl Sprinkel, undersecretary of the Treasury for monetary affairs; W. Allen Wallis, undersecretary of state for economic affairs; and Lawrence Kudlow, chief economist of the Office of Management and Budget. They have worked out an agenda with three topics for the three-day summit.

Day 1: A review of economic conditions in the industrial world. This is unlikely to lead to any plan for coordinated action for lifting the industrial countries out of the slump, but only to establishing a new mechanism for "joint surveillance" of national economies.

Day 2: A discussion of international trade. National leaders will praise free trade and denounce protectionism but leave themselves free to adopt protectionist measures deemed politically or economically essential during times of high unemployment and excess capacity.

Day 3: A debate about East-West trade. Mr. Reagan is eager to press for measures to restrict Soviet access to Western technology and equipment, to hamper the Soviet economy and reduce its military capabilities. The European participants, including Prime Minister Margaret Thatcher of Britain, will still be smarting from the president's effort after the Versailles summit meeting to upset countries to help build the Soviet natural gas pipeline. Mr. Reagan backed down when George P. Shultz, replaced Alexander M. Haig Jr. as secretary of state, but the conflict is not over.

It is time to cut our losses and go back to the approach that was successful in the heyday of gold and Bretton Woods.

Will the Williamsburg conference really tackle the most crucial issues confronting the world economy or propose anything to solve them? There is room for much doubt on that score.

Professor Robert Mundell of Columbia University, a leading international economist whom Professor Peter B. Kenen of Princeton has called "the finest mind in our profession" (while not always agreeing with him), contends that five key economic problems of the major industrial countries should be on the agenda at Williamsburg: (1) the international slump, with its high unemployment; (2) the instability of internationally traded commodities; (3) stagnation, in six of the seven countries, with only Japan growing at a reasonably good rate; (4) high real interest rates; and (5) the world debt crisis.

He maintains that all are interrelated and have major political and national security ramifications for the Western alliance and the rest of the world. The connection among them, as he sees it, is the disordered world monetary system. The experiment with floating exchange rates and monetarism, he says, has been a failure. While the Federal Reserve has succeeded, at least for the time being, money supply growth rules, in order to rescue the U.S. economy from a deepening recession and high unemployment, Mr. Mundell believes it will go back to monetarism. Resuming the experiment with a new set of monetary rules, he holds, will only end once more in defeat.

Room for Doubt

Not Hung Up on Gold

There is no need to get hung up on gold, says William McKinsey Martin, former chairman of the Federal Reserve Board, and his colleagues at the Atlantic Council, a research and policy group on both sides of the Atlantic. He has been calling for a return to Bretton Woods.

It is probable that several European leaders who attend the Williamsburg talks would welcome such an approach. The U.S. Treasury secretary, Donald T. Regan, declared his interest in a new "Bretton Woods" monetary conference, but his Treasury associates promptly talked him out of it — or at least into silence on the issue. President Reagan has indicated that he is sympathetic to the idea. The subject of a "new Bretton Woods" is not dead.

CURRENCY RATES

Interbank exchange rates for March 25, excluding bank service charges.

Currency	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
Australian \$	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74
Belgian franc	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36
British pound	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54
Canadian dollar	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71
Deutsche mark	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36
French franc	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55
Italian lira	1936	1936	1936	1936	1936	1936	1936	1936	1936
Japanese yen	163.6	163.6	163.6	163.6	163.6	163.6	163.6	163.6	163.6
Swiss franc	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
West German mark	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36

INTEREST RATES

March 25

Instrument	Rate	Instrument	Rate	Instrument	Rate	Instrument	Rate
3-month T-bill	7.00%	3-month T-bill	7.00%	3-month T-bill	7.00%	3-month T-bill	7.00%
6-month T-bill	7.00%	6-month T-bill	7.00%	6-month T-bill	7.00%	6-month T-bill	7.00%
1-year T-bill	7.00%	1-year T-bill	7.00%	1-year T-bill	7.00%	1-year T-bill	7.00%
2-year T-bill	7.00%	2-year T-bill	7.00%	2-year T-bill	7.00%	2-year T-bill	7.00%
3-year T-bill	7.00%	3-year T-bill	7.00%	3-year T-bill	7.00%	3-year T-bill	7.00%
5-year T-bill	7.00%	5-year T-bill	7.00%	5-year T-bill	7.00%	5-year T-bill	7.00%
10-year T-bill	7.00%	10-year T-bill	7.00%	10-year T-bill	7.00%	10-year T-bill	7.00%
30-year T-bill	7.00%	30-year T-bill	7.00%	30-year T-bill	7.00%	30-year T-bill	7.00%
1-month T-bill	7.00%	1-month T-bill	7.00%	1-month T-bill	7.00%	1-month T-bill	7.00%
3-month T-bill	7.00%	3-month T-bill	7.00%	3-month T-bill	7.00%	3-month T-bill	7.00%
6-month T-bill	7.00%	6-month T-bill	7.00%	6-month T-bill	7.00%	6-month T-bill	7.00%
1-year T-bill	7.00%	1-year T-bill	7.00%	1-year T-bill	7.00%	1-year T-bill	7.00%
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3-year T-bill	7.00%	3-year T-bill	7.00%	3-year T-bill	7.00%	3-year T-bill	7.00%
5-year T-bill	7.00%	5-year T-bill	7.00%	5-year T-bill	7.00%	5-year T-bill	7.00%
10-year T-bill	7.00%	10-year T-bill	7.00%	10-year T-bill	7.00%	10-year T-bill	7.00%
30-year T-bill	7.00%	30-year T-bill	7.00%	30-year T-bill	7.00%	30-year T-bill	7.00%

Key Money Rates

	B	I	D.M.	P.F.	H.L.	Other	S.F.	137.0
Amesbury	2,716	3,061	11,236	37.46		17,663		23.20
Armsbury	46,800	49,385	19,806	4,608		78,494		177.12
Frankbury	2,438	3,323			1,674	3,959	46.97	2,648.44
London 700	1,407		2,330	15,589	2,962.10	53,147	10,343	479.91
New York	1,400	1,491	3,606	19,577		20,044	10,339	4,612.1
Port		1,491	4,479	4,036		5,966	13,139	361.02
Port	3,325	18,385	29,485			74,825	4,308	
Port	2,646	27,357	85,450	7,804	4,143	16,234	44,275	1,972.1
100W	0.0251	0.0330	2,2277	0.0804	1,235.09	2,9712	51,625	2,299
100W	1.0977	0.0330	2,2125	7,874.91	1,557.66			



## Market Summary, March 25

Market Diaries		
NYSE		
Close	Prev.	Close
77.33	107.69	7.33
709	977	3.33
30.75	107.69	3.33
879	640	3.33
37.44	29.76	2.33
369	357	8.33
1,957	1,980	8.33
182	264	8.33
4	6	8.33

AMEX Stock Index			
High	Low	Close	Change
386.82	384.90	386.03	+1.13

AMEX Most Actives			
Symbol	Sales	Close	Change
HomePrl	263,000	2 3/4	+1/4
ATI Inc	216,608	3 3/4	+1/4
InsirSyst	202,700	2 1/4	+1/4
VirusCo	184,400	1 1/2	+1/4

**NYSE Index**

High	Low	C
88.35	87.65	8
101.62	100.82	10
85.14	84.16	8
45.87	45.57	4
95.19	94.47	9

**USE Most Active**

Sales	C
1,205,500	

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# THE DOWS and the POWER ELITE

Our allegiance to the "law of contrary reason," has proved prescient. In August, when the DJPS was hovering around 780, our researchers predicted that the "DOWS WILL TOUCH 1000 BEFORE HITTING 750." And now? As the DJPS' approach 1,500, there were one specific corrections as investors shuffle from one species of delirium to another, seeking a final Dulcinea. To say that high-technology equities have inflamed the public's sheer over-estimation. As investors in the space industry, clients are taking profits, and have accumulated the groups: when BOEING and IBM, to name but a few examples, were out of favor. Last June, we mused, "IN BUYING A CROSS SECTION OF BOEING \$16, GRUMMAN \$27, LOCKHEED \$46, MARTIN \$26, NORTHROP \$48, and ROCKWELL \$30, A PATIENT INVESTOR WILL OUTSTAND THE FEINER HORIZONS OF THOSE WITH A FEINER, BOOTS AND BRICKS MENTALITY."

Since *Jesus*, aerospace share have also sky-rocketed; current quotes? BOEING \$38, GRUMMAN \$33, LOCKHEED \$93, MARTIN MARIETTA \$44, NORTHROP \$72, ROCKWELL \$50. Despite the euphoria of the Street, we urge readers to take profits in aerospace and move into high-tech high flyers, overlooking the oils, growing prevailing opinion. The "Seven Sisters," the international oil empires, may not be "cheap" but they are undervalued and will be "chased"; once the illusion of a permanent oil glut evaporates.

Our glut? evaporates. The news hydrocarbon share highlighting a massive oil sell \$2174, that may be absorbed by a rival at \$55; in addition, we recommend a five-million share bid, by virtue of

developing a new consumer product, could emulate the success of POLAROID or XEROX during their genesis. As a piece of assistance, we warn readers to ease out of APPLE COMPUTER and GENENTECH, both appear under massive distribution by the "Power Elite".

### Friday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street

12 Month	Sig.
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12 Month  
High Low Stock Price12 Month  
High Low Stock Dth

774	374	GNSSD	12	230	73	73	73	+1%
2924	1624	GulfUtd	49	9x600	274	2674	2674	-74
17	74	Gulton	3743	62	184	184	164	+4

[illegible][illegible][illegible][illegible]

135k	7	WHART	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
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Paul Leong, said at a news conference Friday in Brussels that the differences over details of the pact had narrowed considerably, but he declined to say whether Malaysia would compromise any of the points.

Industry analysts say Malaysia has adopted a hawkish position and wants a pact that's some teeth, while Indonesia, which appears to have the support of Australia and Thailand, believes the association should complement the work of the International Tri Agreement, challenge it.

[illegible][illegible][illegible]

1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100

15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72	75	78	81	84	87	90	93	96	99
14	17	20	23	26	29	32	35	38	41	44	47	50	53	56	59	62	65	68	71	74	77	80	83	86	89	92	95	98
13	16	19	22	25	28	31	34	37	40	43	46	49	52	55	58	61	64	67	70	73	76	79	82	85	88	91	94	97
12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72	75	78	81	84	87	90	93	96
11	14	17	20	23	26	29	32	35	38	41	44	47	50	53	56	59	62	65	68	71	74	77	80	83	86	89	92	95
10	13	16	19	22	25	28	31	34	37	40	43	46	49	52	55	58	61	64	67	70	73	76	79	82	85	88	91	94
9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72	75	78	81	84	87	90	93
8	11	14	17	20	23	26	29	32	35	38	41	44	47	50	53	56	59	62	65	68	71	74	77	80	83	86	89	92
7	10	13	16	19	22	25	28	31	34	37	40	43	46	49	52	55	58	61	64	67	70	73	76	79	82	85	88	91
6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72	75	78	81	84	87	90
5	8	11	14	17	20	23	26	29	32	35	38	41	44	47	50	53	56	59	62	65	68	71	74	77	80	83	86	89
4	7	10	13	16	19	22	25	28	31	34	37	40	43	46	49	52	55	58	61	64	67	70	73	76	79	82	85	88
3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72	75	78	81	84	87
2	5	8	11	14	17	20	23	26	29	32	35	38	41	44	47	50	53	56	59	62	65	68	71	74	77	80	83	86
1	4	7	10	13	16	19	22	25	28	31	34	37	40	43	46	49	52	55	58	61	64	67	70	73	76	79	82	85
0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72	75	78	81	84

[illegible][illegible][illegible]

## EC Contests Ruling Of Steel Are Hurt

BRUSSELS, April 11 — The European Community today contested a U.S. ruling that imposes domestic production limits on U.S. steel.

World recession and the EC imports of steel companies, according to a report by The U.S. International Trade Commission, would cost jobs and affect 10 million worth of exports and other countries, it said. The community's anti-export quotas or limits imposed by the

### Warns U.S.

Japan will  
Tokyo (Reuters) — Shunichi  
treacherous Enoki has unspecified  
to Saito for attending to the U.S.  
inclusion costs and a price of 10  
The Justice Department has Fe  
using a subpoena. Terms Mon  
not sales and would requested t  
Mr. Abe and the U.S. United  
territory to the international la

**Firm Won't Buy.** — General Electric Co. has declined the slightest interest in buying American Motors Corp. and makes it also said that General Electric appeared earlier this week that was saving that American Motors had been the only one to buy.

**Credit Suisse Rat**  
ZURICH: Ratiers — Credit Suisse  
stake in Financial Group, Swiss F  
99 percent  
In a speech to the annual meeting  
chairman, Ratiers urged for the st  
He gave no indication either i  
lowest shareholders of the Bank.

**Sperry. Oki to M**  
TOKYO 4P. — Sperry Corp. produce largest computers in U.S. and Oki Electric Industrial Co. The agreement, which is expected to be completed within a few months, would give Sperry a 50% share in Oki's computer business in Japan.

## Some Venezuela

**Ford Presents N**

WASHINGTON, NY) — Fo  
warranty under which most Ford  
same repair twice.

The company also announced  
plant arbitration procedure. (in  
available in test markets.

Although Ford never has called

## Citicorp Sy

Citicorp has received licenses in nine metropolitan areas where there were fewer applications in the 10 available licenses. In other regions, including New York

Despite the rapidly rising cost of communications, however, only a few major financial-services companies have chosen not to establish their own systems.

"We have looked at the possibility of going into the satellite com-

communications business, but it's hard future to see clearly," said Garland Cupp, executive vice president of American Express, another domestic communications buyer. "\$100 million to \$120 million a year is higher than Citicorp's. We prefer to keep our options open and be positioned internally so we can take advantage of the new services and prices that will be available."

to that come along -  
Merrill Lynch & Co., which  
spends more than \$100 million

**BEST WINNING C**

**Now try the**

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## BUSINESS BRIEFS

## EC Contests Ruling That Imports Of Steel Are Hurting U.S. Makers

BRUSSELS (AP) — The European Community Commission Friday contested a U.S. ruling that imports of special steel products are harming domestic producers.

World recession, not EC imports, are to blame for the woes of U.S. steel companies, according to a commission statement.

The U.S. International Trade Commission ruled Thursday that \$373 million worth of stainless- and alloy-steel imports, principally from eight countries, injured the domestic industry. The ruling could result in import quotas or tariffs imposed by the Reagan administration.

## Japan Warns U.S. Over Toyota

TOKYO (Reuters) — Shintaro Abe, the Japanese foreign minister, threatened Friday to take unspecified retaliatory action against the United States for attempts by the U.S. Justice Department to learn the production costs and sales prices of Toyota vehicles for taxation purposes.

The Justice Department last February filed a suit against Toyota, accusing a subsidiary, Toyota Motor Sales USA, of failing to produce most sales and cost data requested by the U.S. Internal Revenue Service.

Mr. Abe said that for the United States to apply domestic laws beyond its territory violates international law.

## Arm Won't Buy AMC Unit

LOUIS (Reuters) — General Dynamics said Friday that it "hasn't" used its highest interest in buying AM General Corp., the subsidiary of The Arm Motors Corp. that makes special government vehicles.

The development said General Dynamics has at no time had any conversation with American Motors about the subsidiary. It denied reports that in 20 years this week that an American Motors spokesman was finally at American Motors had had conversations with General Dynamics president about the subsidiary.

## Suisse Raises Stake in CSFB

Mr. Reu (Reuters) — Credit Suisse said Friday that it would raise its stake in the Swiss bank to 54 percent from 51 percent.

Mr. Reu, in a speech to the annual meeting, Oskar Acippli, Credit Suisse board chairman, gave no reasons for the step.

He gave no information either on the intentions of FCSFB's second largest shareholder, First Boston Corp. of New York, which has a 34 percent interest.

## Sperry, Oki to Make Computers

TOKYO (AP) — Sperry Corp. and Oki Electric Industry agreed to produce large-scale computers in Japan through their joint venture, Oki Univac, an Oki Electric official said Friday.

The agreement, which is expected to be signed within the next two months, would give Sperry a controlling interest in Oki Univac. In return, Sperry would permit Oki Univac to build its large-scale computers in Japan.

Oki Univac probably would make Sperry's 1100 series of mainframe computers, and production could begin as early as this year.

## Some Venezuelan Ratings Halted

NEW YORK (Reuters) — Moody's Investors Service said Friday it suspended ratings on four Venezuelan government note issues following reports that the government declared a postponement in principal payments on its external debt.

It said ratings on the nation's 15% notes due 1986, 8% percent notes due 1992, 8% percent notes due 1984 and 8 percent notes due 1984 have been suspended until further information is forthcoming.

## Ford Presents New Warranty Plan

WASHINGTON (NYT) — Ford Motor has announced a new repair warranty under which most Ford owners would never have to pay for the same repair twice.

The company also announced Thursday the expansion of its complaint-arbitration procedure. Until now, the two programs were only available in test markets.

Although Ford executives called the "lifetime" warranty program "revolutionary," consumer advocates were less excited. A Wall Street automotive analyst said the program would give the company a small marketing edge.

## Citicorp System Bypasses AT&amp;T

(Continued from Page 7)

said this system, called Digital Transmission Service, or DTS, would be used primarily for data, rather than voice, transmission.

Citicorp has received licenses for nine metropolitan areas where there were fewer applications than in the 10 available licenses. In the other regions, including New York, it must wait until the FCC determines to whom they should be awarded.

Despite the rapidly rising cost of communications, however, other major financial-services companies have chosen not to establish their own systems.

"We have looked at the possibility of going into the satellite communications business, but it's a hard future to see clearly," said Garland Cripp, executive vice president of American Express, whose domestic communications bill, at \$100 million to \$120 million a year, is higher than Citicorp's. "We prefer to keep our options open and be positioned internally so we can take advantage of the new services and prices that come along."

Merrill Lynch & Co., which also spends more than \$100 million a

year for domestic communications services, said that it, too, preferred to work with existing common carriers. For example, it is a partner with Western Union and the Port Authority of New York and New Jersey in The Teleport, a satellite communications center that is being built on 350 acres on Staten Island, in New York City.

"You don't just look to bypass the common carriers," said Stanley Welland, a Merrill Lynch vice president. "We want to marry all of the available services and technologies and keep up with the state of the art."

But Citicorp is determined to create its own state of the art and has hired engineers from the handful of companies most active in satellite transmission.

"We're all amazed that to get to the state of the art we had to leave a common carrier and come to a bank," said Mr. Piraino, who was hired away from RCA America Communications.

Cutting costs, according to Mr. Piraino, was not the only reason that Citicorp decided to establish its own communications system. "It gives us the ability to get the services we want when we want

them," he said. Citicorp's system can send data at a rate of 56,000 bits, or units of information, a second, compared with the 9,600-bits-a-second speed of ordinary telephone communications, Mr. Piraino said. The telephone company, he continued, but it would have taken months rather than weeks to install.

Citicorp also contended that by having developed its own system it could better protect itself against thieves who use high technology to eavesdrop on money. "A financial institution has to be extremely concerned about security," Mr. Piraino said.

Mr. Piraino also said that having its own network gave Citicorp the ability to be flexible in meeting the individual needs of its customers.

For the past few weeks Citicorp has been testing its system. The stations are cone-shaped dishes with eight-foot diameters that are monitored from a room on the 27th floor of Citicorp's Park Avenue headquarters. Cathode-ray screens constantly monitor the earth stations, with green rectangles indicating that everything is in order, and red rectangles indicating alarm conditions.

Only four stations have been built so far. The station serving the New York area stands by a street in Northvale, New Jersey, and will be unmanned. In contrast, the partners in the Teleport facility said that their antennas would be placed in "slips" within an area the size of a football field and will be guarded 24 hours a day.

Another Citicorp station is in Sioux Falls, South Dakota, where the company's credit-card operations are based. The other two are in California, one in Steel Valley, to serve Los Angeles, and the other in Sky Valley, to serve San Francisco. The six other earth stations will be installed in Miami, St. Louis, Denver, Chicago, Atlanta and Wilmington, Delaware.

Voice communication via the Citicorp transponders is scheduled to start this week, and data communications April 1. But it will take another month for video conferences via the satellite. "That takes more terrestrial facilities," Mr. Piraino said.

Citicorp's advances in communications may reduce its costs, but the amount that it saves might have to be paid by ordinary telephone users who cannot strike out on their own, according to Donald F. McLaughlin, a spokesman for AT&T. Big corporate users have been subsidizing residential users, he continued, and a reduction in their fees is likely to mean an increase to consumers.

## French Plan Welcomed; Franc Firm

PARIS — The tough government economic measures to eliminate France's massive trade deficit within two years were welcomed in financial markets Friday as money started to flow back into the country, bankers said.

The French franc remained firm against the Deutsche mark, which remained at its new floor of 299.85 francs per 100 DM, and the franc stayed in the 7.26-27 range against the dollar.

Interest rates on Eurofrances eased, a sign of confidence in the government's determination to tackle its economic problems. One month Eurofrance rates dropped half a point to 12 percent from an opening 12 1/2 percent, foreign currency dealers said.

"This package has given the government a certain international credibility," said Gilles Pellegrino, chief dealer at Banque Union Européenne.

The government hopes to reduce its import bill by cutting consumer spending. But many goods prized by consumers are not made in France, and so President Francois Mitterrand's exhortation this week to "Buy French" would not have done that much good.

Share prices on the Paris Bourse rose in active trading after the announcement. The firmness of the franc since Monday, when it was effectively devalued 8 percent against the mark, has enabled the Bank of France to start buying back marks, the bankers said.

Supporting the franc over the past two days during speculation about a possible third devaluation cost the French authorities billions of dollars.

February foreign exchange reserve figures published Thursday showed a drop of 9.89 billion francs (\$1.36 billion), and intervention by the Bank of France continued at a high level for the first three weeks of March, financial sources said.

In London, sources close to Prime Minister Margaret Thatcher said that the British government would allow the pound to float and does not plan massive support for the currency to hold it at a \$1.45 exchange rate. "There's nothing magic about \$1.45," one source said.

Foreign exchange dealers had suggested that the government might attempt to protect the pound at \$1.45 because of the effect of the weaker pound on domestic inflation.

The pound closed Friday at \$1.4605, little above its all-time low of \$1.4562 reached two days earlier. Dealers said its future movements would depend heavily on the new price for North Sea oil expected to be announced shortly by the British National Oil Corp.

Many of the private debtors are banks, industries and construction companies that were encouraged by the government to borrow dollars abroad, with the assurance that a fixed rate of exchange of 39 pesos to the dollar would be maintained.

Before a devaluation plan announced Wednesday, the peso had been floating at about 74 to the U.S. dollar. The official rate had been about 46 to the dollar. The

Chile has to pay \$3 billion this year and next in principal and interest for which it has neither dollar reserves nor sufficient export income. That is the amount that Finance Minister Carlos Caceres hopes to refinance with a "steering committee" of representatives from 12 creditor banks, from the United States, Canada, Europe and Japan.

Negotiations with the banks began last year under former Finance Minister Rolf Luder but came to a standstill on the demand of the banks that the Chilean government guarantee payment of \$4 billion in private debt.

But Mr. Pinochet, calling the big private groups speculators and blaming them for the crash, ordered government intervention in Bank of Chile, Bank of Santiago and three other large private banks that were technically bankrupt.

The big groups, which are the heart of Chilean industry, construction and finance, are now under government-appointed administrators who are trying to revive them and establish a schedule for paying the peso debt to local banks.

But a government guarantee to the foreign banks that the \$4 billion owed by the private sector would be paid under a refinancing scheme has yet to be worked out.

"The banks are very firm on this. They are not willing to take a loss

## Exxon Loses \$895-Million Case

WASHINGTON — A federal judge ruled Friday that Exxon overcharged the public \$895.5 million for crude oil produced from a Texas field. The judge ordered the company to pay back the money through state-run energy conservation programs.

U.S. District Judge Thomas Flannery ordered the money put into an escrow account in the U.S. Treasury, which will distribute it to the governments of all 50 states. "Each state must then use the funds under one or more of five existing federal energy conservation programs," the ruling said.

The programs finance home weatherization for low-income and elderly people; assist such people in paying energy bills; help states develop energy conservation programs; reduce energy consumption in schools and hospitals; and promote conservation by small businesses.

"The broad scattering of the ill effects of Exxon's wrongdoing renders impossible the tracing of the overcharges to their ultimate victims and the calculation of the precise damages suffered by each," Judge Flannery said.

The distribution will be carried out under a formula devised by Congress, based on a state's petroleum product consumption from 1973 through 1981. The formula has been used for distribution of overcharges from out-of-court settlements.

The crude oil came from Exxon's Hawkins Field. Exxon had contended that government price regulations did not apply to its production from the field.

The U.S. Energy Department had charged that Exxon overcharged its crude oil customers by failing to establish a unit-wide base production control level for the Hawkins output.

The company was also charged with selling as higher-priced "new oil" what should have been sold as lower-priced "old oil" under federal price controls which were lifted by President Ronald Reagan in January 1981.

Exxon officials had no immediate comment on the ruling.

Judge Flannery rejected the U.S. Energy Department's petition to assess \$38 million in civil penalties against the company in addition to ordering the refund. He said the department had not proved that Exxon "gerrymandered production at the Hawkins Field in an attempt knowingly to circumvent price controls."

Without refinancing, Chile would be unable to restore enough imports and lines of foreign credit for exports to revive the economy.

The economic crisis in Chile, where the gross national product dropped 12 percent last year and unemployment is more than 20 percent, is now almost a year old.

When the peso was devalued last June, despite the government's pledge, the groups said that they could not pay foreign debt without refinancing.

But Mr. Pinochet, calling the big private groups speculators and blaming them for the crash, ordered government intervention in Bank of Chile, Bank of Santiago and three other large private banks that were technically bankrupt.

The big groups, which are the heart of Chilean industry, construction and finance, are now under government-appointed administrators who are trying to revive them and establish a schedule for paying the peso debt to local banks.

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"The banks are very firm on this. They are not willing to take a loss

## Profit Up 23.7% At Dresdner Bank

FRANKFURT — Dresdner Bank's 1982 group net profit rose 23.7 percent to 209.3 million Deutsche marks (\$87.2 million) despite high risk provisions on domestic and international lending, the bank reported Friday. It said that operating profit was up 85 percent but that the risk provisions absorbed much of the increase.

Hans Friderichs, management board spokesman, said the bank was optimistic that operating profit this year would hold steady at the 1982 level and that risk provisions would be reduced.

He declined to give any indication of the 1983 dividend. Dresdner paid 4 DM a share for 1982.

Mr. Friderichs declined to specify the exact level of risk provisions, but said they amounted to somewhat less than 1 billion DM.

The formal position for risk provisions in credit business and write-downs on securities showed 587.4 million DM set aside, more than double the 1981 provisions.

But Mr. Friderichs said this represented only a portion of the bank's total new additions to risk reserves. He refused to discuss individual provisions in detail, but said the debt settlement of AEG-Telefunken required large write-offs and provisions for potential future losses.

One board member, Manfred Meier-Preussner, said some of the AEG provisions now looked more like hidden reserves after the company's improved performance in recent months.

Mr. Friderichs said much of the bank's improved results came from an expansion of its interest margin

to an average 2.6 percentage points in 1982 from 2.1 points in 1981, bringing the interest surplus on the parent bank up 19.3 percent to 2.06 billion DM.

Another board member, Wolfgang Leeb, said the interest margin rose to 2.7 at the end of 1982 and exceeded 2.8 in January and February 1983. But he said Dresdner was unlikely to sustain this margin throughout 1983.

Mr. Leeb said Dresdner's operating profit was helped by strong profit from trading. Operating results were at their best absolute level in the bank's history and regained the highest ratio to the balance sheet of 1975, the bank's best recent year, Mr. Friderichs said.

He said commissions on foreign and domestic payments business and on securities transactions also rose, lifting the commission surplus by 11.4 percent to 711.5 million DM.

Dresdner subsidiaries had generally good operating results, but also large risk provisions. The Luxembourg subsidiary had an excellent year but will use all its operating profits to build reserves, Mr. Friderichs said.

Deutsch-Südamerikanische Bank, through which Dresdner has done much of its Latin American lending, had its best operating results ever but used profits for large risk provisions, Mr. Friderichs said.

A deputy board member, Jürgen Sarrazin, said provisions in Latin America led Dresdner to write off its shareholding in Adela Investment of Luxembourg and New York, for a charge to earnings of 13.7 million DM. Adela is a joint venture with other banks.

## Chile Prepares for Debt Talks As Pinochet Calls Nation 'Broke'

By Juan de Onis

SANTIAGO — President August Pinochet sent his finance minister to New York Friday for critical debt-refinancing talks with the observation that "the country is broke."

President Pinochet's sour comment at a breakfast meeting with local journalists reflected the depressed mood here and indicated the importance of the negotiations with international bankers on refinancing part of the \$17-billion Chilean foreign debt.

Chile has to pay \$3 billion this year and next in principal and interest for which it has neither dollar reserves nor sufficient export income. That is the amount that Finance Minister Carlos Caceres hopes to refinance with a "steering committee" of representatives from 12 creditor banks, from the United States, Canada, Europe and Japan.

Negotiations with the banks began last year under former Finance Minister Rolf Luder but came to a standstill on the demand of the banks that the Chilean government guarantee payment of \$4 billion in private debt.

Many of the private debtors are banks, industries and construction companies that were encouraged by the government to borrow dollars abroad, with the assurance that a fixed rate of exchange of 39 pesos to the dollar would be maintained.

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## INTERNATIONAL SECURITIES FUND S.A.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

## NOTICE OF CONVOCATION

The annual General Meeting of Shareholders of International Securities Fund will be held at the registered office of the Corporation, 14 Rue Aldringen, Luxembourg, on April 7th 1983, at 3 p.m. to deliberate the following

AGENDA

1) Report of the Board of Directors and of the Statutory Auditor;

2) Presentation of the Balance sheet and Profit and Loss account as at December 31, 1982;

3) Discharge of duties of the Board and of the Statutory Auditor;

4) Elections to Office;

5) Miscellaneous.

Resolutions relative to the agenda of the Ordinary General Meeting do not require a special quorum and will be deemed valid if voted upon by a majority of the Shareholders present or represented. No Shareholder, either on his own account or in the capacity of proxyholder, may participate in votations for a number of shares in excess of one fifth of the issued shares of the Corporation or in excess of two fifths of the number of shares represented at that Meeting.

Participation in the aforesaid General Annual Meeting will be open to Shareholders who have deposited their shares not less than five days prior to the date of Meeting either at the registered office of International Securities Fund or at one of the following banks:

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THE BOARD OF DIRECTORS

## INTERNATIONAL POSITIONS

Directeur du développement international

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## Louisville and Kentucky to Vie in Mideast Regional Final

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Final Results

South Florida 67, Florida 69  
Vanderbilt 79, East Tennessee State 74  
Arkansas 67, Mississippi 68  
Iowa 10, St. Bonaventure 74  
New Orleans 79, Louisiana State 54  
Texas Christian 66, Texas Tech 67  
Oregon State 74, Minnesota 72  
DePaul 72, Idaho 59  
Wake Forest 71, Texas 61  
Virginia Tech 65, Wake Forest 67  
WV Forest 87, Murray State 80  
Nebraska 72, Tulane 65  
Alabama 67, Alabama State 67  
Mississippi State 71, Notre Dame 57  
Michigan State 73, Bowling Green 71  
Arizona State 67, Purdue 67

Second Round

South Carolina 78, Virginia Tech 68  
Florida State 72, Michigan State 67  
Virginia Tech 67, Wake Forest 67  
Mississippi 65, Iowa 57  
Nebraska 85, Texas 73  
Alabama 67, Arizona State 74  
DePaul 65, Mississippi 63  
Oregon State 88, New Orleans 71

Championship

March 31

Wake Forest 78, South Carolina 61  
Arkansas 67, Texas Christian 67  
Texas State 74, Oregon State 67

March 25

Mississippi (79-71) vs DePaul (71-71), 9 a.  
m. at the State of New York, March 25  
Championship, of New York, March 31

Vanderbilt 79, East Tennessee State 74  
 South Carolina 102, Old Dominion 98  
 Iowa 90, St. Bonaventure 74  
 New Orleans 99, Louisiana State 94  
 Texas Christian 64, Tulsa 62  
 DePaul 74, Minnesota 72  
 Oregon State 72, Idaho 59  
 Oregon State 71, Texas A&M 64  
 Virginia Tech 85, William & Mary 79  
 Wake Forest 87, Murray State 80  
 Nebraska 72, Tulane 65  
 Mississippi 87, Alabama State 75  
 Marquette 71, Notre Dame 57  
 Michigan State 72, Bowling Green 71  
 Arizona State 87, Fullerton State 83

Second Round

South Carolina 75, Virginia Tech 65

1890 No. 33, Booneville 74  
 1891 No. 19, Louisiana 74  
 1892 Christians 64, Tulsa 42  
 DePaul 74, Minnesota 72  
 Oregon State 77, Idaho 39  
 Fresno State 71, Texas 61, Pasa 64  
 Virginia Tech 35, Willson 8 Mary 79  
 Wake Forest 67, Murray 80  
 Nebraska 72, Tulane 66  
 Mississippi 67, Alabama State 75  
 Northwestern 74, Notre Dame 37  
 Michigan State 73, Bowling Green 71  
 Arizona State 67, Fulton State 62  
 Second Round  
 South Carolina 74, Virginia Tech 68  
 Fresno State 67, Wake Forest 67  
 Wake Forest 73, Vanderbilt 61  
 Mississippi 64, South Florida 63  
 Wakefield 85, Iowa 72  
 Texas Christian 78, Arizona State 74  
 DePaul 65, Northwestern 61  
 Oregon State 88, New Orleans 71  
 Quarterfinals  
 Wake Forest 73, South Carolina 61  
 Nebraska 67, Texas Christian 57  
 Fresno State 76, Oregon State 67  
 March 25  
 Mississippi (19-71) of DePaul (19-11), 9 p.m.  
 Semifinals of New York, March 28  
 Championship of New York, March 31

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**FRANKFURT - ANITA Escort Service**  
 Tel: 0611/425914.  
**COLOGNE - BORN - DIUESSELDORF**  
 Escort Service. Tel: 0221 / 124601.  
**MONTREAL, CANADA, Claire Es**  
 & Girls Service. 514-768-4533.  
**NEW YORK CITY Mia & Renee Es**  
 & Girls Service 212-888-0103.  
**ROMA**

ALCOHOLIC BEVERAGE SERV.  
Los Angeles (213) 553-3543.

TORONTO, CANADA. Netelco  
Escorts, Credit Cards. 416-498-0112

TORONTO, CANADA. Galati  
Escort Service. Tel: 416-353-5462.

UNIVERSAL ESCORT SERVICE. N  
York City 212-308-6388.

LARA ESCORT SERVICE. Tel: Lon  
492 0353.

LONDON PETITE FLEUR Escort Ser  
London/ Heathrow. 01 749 6270.

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Escort Service, London (4-12 pm)  
Tel: 794 6037.  
NEW ESCORT AGENCY, Heathrow, 01 579 7555.  
LONDON SAPHIRE ESCORT Service, Tel: 01 244 7671.  
LONDON CRISTAL ESCORT Service, Tel: 789 0405.  
LONDON - HEATHROW ESCORT Agency, Tel: 286 3590.  
BIANCA CRISTAL ESCORT SERVICE, Tel: London 01 249 2929.  
ZUPERCIA ESCORT SERVICE, 059/33 18 74, 11:00am-1pm & 7pm.  
TEL AVIV ESCORT SERVICE, 03 444 308.  
COPENHAGEN EXCLUSIVE ESCORT Service, 1-244034.  
AMSTERDAM ESCORT SERVICE, 020 623 1111.

**LONDON - HEATHROW ESCORT**  
Agency, Tel. 286 3590.  
**BLANCA CRISTAL ESCORT SERVICE**  
Tel. London 925 6499.  
**ZUERICH VIP ESCORT SERVICE**  
057 33 18 74, 11:30am-1pm & 7pm  
**TEL AVIV ESCORT SERVICE**  
03 444 302.  
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